Professional SOLUTIONS | INSURANCE COMPANY

14001 University Avenue, Clive, Iowa 50325-8258
515-313-4701 • Fax 515-313-4886
Toll-Free 800-864-8026 • Toll-Free Fax 800-510-6370

November 2, 2009

Illinois Insurance Division
Attn: Gayle Neuman
320 West Washington Street
Springfield, IL 62767

RE: Professional Solutions Insurance Company
FEIN: 42-1520773
NAIC Number: 11127 6%
RATE/RULE **Physicians and Surgeons Professional Liability Rate Filing**
Filing Number: PSIC MD 2009 Rate 2
Proposed Effective Date: 01/01/2010

Dear Ms. Neuman:

Professional Solutions Insurance Company (PSIC) currently has on file with the Illinois Insurance Division a claims made professional liability rating manual for our physicians and surgeons professional liability program. PSIC would like to submit for your review and approval an amended claims made professional liability rating manual to replace the manual currently on file. Please see the attached explanatory memorandum and side-by-side rating manual comparison which detail all the changes being made for our small rate trending increase.

Please be advised that that Professional Solutions Insurance Company continues to utilize National Independent Statistical Service for our reporting of statistics.

If you have any questions or need any additional information regarding this filing please feel free to contact me directly. I thank you in advance for your attention to this matter.

Sincerely,

Terry Hopkins

Terry Hopkins
Compliance Analyst
PH: (800) 321-7015 Ext. 4503
FX: (515) 313-4476
Email: thopkins@ncmic.com

FO
MEM
RAT

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Roger L. Schlueter, a duly authorized officer of Professional Solutions Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Charles W. Mitchell, FCAS, MAAA, a duly authorized actuary of Milliman am authorized to certify on behalf of Professional Solutions Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Chief Financial Officer — 10/27/09
Signature and Title of Authorized Insurance Company Officer — Date

Charles W. Mitchell — 10/27/09
Signature, Title and Designation of Authorized Actuary — Date

Insurance Company FEIN 42-1520773 Filing Number PSIC MD 2009 Rate

Insurer's Address 14001 University Avenue

City Clive State Iowa Zip Code 50325-8258

Contact Person's:
-Name and E-mail Terry Hopkins, Compliance Analyst thopkins@ncmic.com

-Direct Telephone and Fax Number 800-321-7015 ext. 4503 Fax: 515-313-4476

RECEIVED
NOV - 4 2009
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

Section 754.EXHIBIT A Summary Sheet (Form RF-3)

FORM (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 01/01/2010.

	(1) Coverage	(2) Annual Premium Volume (Illinois) *	(3) Percent Change (+or-) **
1.	Automobile Liability Private Passenger		
	Commercial		
2	Automobile Physical Damag Private Passenger		
	Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other Medical Malpractice Life of Insurance	2,794,766	6.0%

Does filing only apply to certain territory (territories) or certain Classes? If so, specify: This filing applies to all territories and classes.

Brief description of filing. (If filing follows rates of an advisory Organization, specify organization): Independent rate filing physician/surgeon rate increase

*Adjusted to reflect all prior rate changes.
**Change in Company's premium level which will result from application of new rates.

Professional Solutions Insurance Company
Name of Company

Jacquie Anderson, Asst. Vice President Compliance
Official – Title

filing# PSIC MD 2009 Rate 2

Neuman, Gayle

From: Neuman, Gayle
Sent: Wednesday, April 28, 2010 9:12 AM
To: 'Terry Hopkins'
Subject: RE: Professional Solutions Ins Co - Filing #PSIC-MD 2009 Rate 2

Thank you for your prompt attention. I will mark the submission as "filed" as of January 1, 2010.

Gayle Neuman
Illinois Department of Insurance
(217)524-6497

From: Terry Hopkins [mailto:thopkins@ncmic.com]
Sent: Wednesday, April 28, 2010 9:10 AM
To: Neuman, Gayle
Subject: RE: Professional Solutions Ins Co - Filing #PSIC-MD 2009 Rate 2

Hi Gayle
Yes we would like to have the January 1, 2010 effective date.

Thank you
Terry Hopkins

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, April 28, 2010 9:05 AM
To: Terry Hopkins
Subject: Professional Solutions Ins Co - Filing #PSIC-MD 2009 Rate 2

T. Hopkins,

The Department of Insurance has now completed its review of the filing referenced above. Originally, Professional Solutions requested the filing be effective January 1, 2010. Was the filing put in effect on January 1, 2010 or do you wish to have a different effective date?

Your prompt response is appreciated.

Gayle Neuman
Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

PROFESSIONAL SOLUTIONS INSURANCE COMPANY

ILLINOIS PHYSICIANS PROFESSIONAL LIABILITY
ACTUARIAL ANALYSIS OF PROPOSED RATE LEVELS
EFFECTIVE JANUARY 1, 2010

This memorandum has been prepared in support of Professional Solutions Insurance Company's (PSIC) rate level requirements for Illinois physicians professional liability (PPL) coverage effective January 1, 2010.

Due to the limited volume of historical PSIC-specific premium and claims experience in Illinois, we have supplemented the PSIC experience with estimated loss costs based on information published by ISMIE Mutual Insurance Company (ISMIE). In particular, we relied on ISMIE's rate filing effective July 1, 2006 and subsequent rate announcements in conjunction with loss ratios from its statutory annual statement to estimate prospective PPL loss costs in Illinois. ISMIE is the largest provider of PPL coverage in Illinois and hence, PSIC believes the ISMIE information provides a representative source for estimating expected PPL claim costs in Illinois.

The key assumptions underlying PSIC's proposed rates are summarized below:

1) Exhibits 1 through 4 display the rate change projection based on PSIC's historical premium and claims experience in Illinois. As summarized on Exhibit 1, PSIC has written PPL coverage in Illinois since 2003 and has only a limited volume of experience to use in evaluating rate levels;

2) As such, PSIC supplemented its own historical experience with that of ISMIE. In doing so, PSIC assumed that the estimated expected loss and allocated loss adjustment expense for an Illinois physician reflected in the ISMIE rates effective October 1, 2009 is representative of the claims experience PSIC expects to incur on its Illinois book of business. See Exhibit 5 for details of the expected loss and ALAE loss cost estimation based on ISMIE's experience;

3) Based on a distribution of physicians by class in Illinois, we estimated overall weighted average relativities for PSIC's and ISMIE's class plans. Our analysis shows that, on an overall basis, ISMIE's pure premium should be decreased by 13.8% to offset the greater premium income to PSIC due to class plan differences. Exhibit 6 summarizes the details of this calculation;

4) Exhibit 7 compares the territorial plans of PSIC and ISMIE. Based on a distribution of physicians by county in Illinois, we estimated overall weighted average relativities for PSIC's and ISMIE's territorial plans on Exhibit 8. Our analysis shows that, on an overall basis, ISMIE's pure premium should be decreased by 5.9% to offset the greater premium income to PSIC due to territorial plan differences;

5) On Exhibit 9, we incorporate the class plan and territorial plan offsets. We also incorporate PSIC's unallocated loss adjustment expense (ULAE) costs and a provision for the cost associated with the PSIC's premium waiver benefit in the event of death, disability, or retirement (DDR);

6) On Exhibit 10, we estimate the credibility weight to be given to the loss cost indication based on PSIC's historical experience versus the loss cost derived from ISMIE information;

7) The credibility weighted base rate indication is derived on Exhibit 11 and assumes a target combined ratio of 101.6%, broken down as follows:

PROVISION	RATIO
Loss & LAE Ratio	80.6%
Underwriting Expenses	21.0
Target Combined Ratio	**101.6%**

Several final points should be noted. First, we relied on data and information provided by PSIC and did not audit or independently verify other than for general reasonableness. Additionally, this analysis was prepared for PSIC's internal business use only and is not to be provided to any third party. We understand that PSIC intends to provide a copy of this letter to the Illinois Division of Insurance in support of its proposed rates and we permit such distribution. Finally, actuarial estimates of medical professional liability rates are subject to uncertainty from various sources including, but not limited to, changes in claim reporting and settlement patterns, judicial decisions, legislation, etc. While the estimates contained herein represent our best professional judgment, it is not only possible, but in fact probable, that the ultimate cost of providing coverage may deviate, perhaps significantly, from our estimates.

Respectfully submitted,

Charles W. Mitchell, FCAS, MAAA
Consulting Actuary

CWM/bas

October 16, 2009

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Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010
Claims-made Coverage
Gross of Reinsurance

Illinois Premium at Current Rate Level

Report Year	Illinois Gross Earned Premium	Rate Change History	Current Rate Level Factor	Illinois Gross Earned Premium at Current Rate Level
2003	128,750		0.536	68,950
2004	3,958,820		0.536	2,120,095
2005	4,550,171		0.536	2,436,786
2006	3,871,138	-28.7% [2]	0.563	2,179,566
2007	3,461,591		0.726	2,512,234
2008	2,538,080		0.751	1,906,362
2009 [1]	1,377,329	-24.9% [3]	0.801	1,103,160
Total	19,885,879			12,327,154

[1] Reflects exposure through June 30, 2009.
[2] Effective June 1, 2006.
[3] Effective January 1, 2009 - Includes 19.9% base rate decrease and 5.0% decrease due to change in claims-free credit plan.

Note: PSIC and NCMIC claims-made experience combined.

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010
Claims-made Coverage
Gross of Reinsurance

Estimated Ultimate Loss & ALAE

	(1)	(2)	(3) = (1) * (2)	(4)	(5) = 1 - 1 / (4)	(6) = (3) * (5)	(7)	(8) = (6) + (7)	(9)	(10) = (8) * (9)
Report Year	Illinois Gross Earned Premium	A Priori Gross Ultimate Loss & ALAE Ratio [2]	A Priori Ultimate Loss & ALAE	Countrywide Implicit Incurred Loss & ALAE Dev Factor	Expected % Unreported	Expected IBNR	Illinois Incurred Loss & ALAE	Indicated Illinois Gross Ultimate Loss & ALAE	Trend Factor to January 1, 2010 Policy Year Effective Date [3]	Trended Illinois Gross Ultimate Loss & ALAE
2003	128,750	58.2%	74,986	1.000	0.0%	0	0	0	1.06	0
2004	3,958,820	35.9%	1,420,543	1.018	1.8%	24,910	1,328,030	1,352,940	1.06	1,434,923
2005	4,550,171	54.2%	2,465,253	1.062	5.9%	144,782	894,377	1,039,159	1.06	1,102,128
2006	3,871,138	15.5%	599,334	1.133	11.8%	70,480	339,292	409,772	1.06	434,602
2007	3,461,591	77.2%	2,671,201	1.496	33.2%	886,114	736,384	1,622,499	1.06	1,720,816
2008	2,538,080	82.2%	2,087,018	1.332	24.9%	519,678	161,373	681,051	1.06	722,320
2009 [1]	1,377,329	93.4%	1,285,764	1.068	6.3%	81,394	880,000	961,394	1.06	1,019,651
Total	19,885,879		10,604,100			1,727,359	4,339,455	6,066,814		6,434,439

[1] Reflects exposure through June 30, 2009.
[2] Countrywide ratios from June 30, 2009 reserve analysis.
[3] Reflects annualized trend rate of 0.0% through 2008 and 4.0% subsequent

Note: PSIC and NCMIC claims-made experience combined.

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010
Claims-made Coverage
Gross of Reinsurance

Estimated Ultimate Loss & ALAE Ratio at Current Rate Level

Report Year	Illinois Gross On-level Earned Premium	Trended Illinois Gross Ultimate Loss & ALAE	Indicated Illinois Gross Ultimate Loss & ALAE Ratio
2003	68,950	0	0.0%
2004	2,120,095	1,434,923	67.7%
2005	2,436,786	1,102,128	45.2%
2006	2,179,566	434,602	19.9%
2007	2,512,234	1,720,816	68.5%
2008	1,906,362	722,320	37.9%
2009 [1]	1,103,160	1,019,651	92.4%
Total	12,327,154	6,434,439	52.2%
Last 3 Years	5,521,756	3,462,786	62.7%

Selected Ultimate Loss & ALAE Ratio (Excluding DDR): 57.5%

[1] Reflects exposure through June 30, 2009.

Note: PSIC and NCMIC claims-made experience combined.

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010
Claims-made Coverage
Gross of Reinsurance

Estimated Rate Change Based on PSIC Experience [1]

Selected Ultimate Loss & ALAE Ratio at Current Rate Level (Excluding DDR):	57.5%
Permissible Loss & ALAE Ratio (Excluding DDR) - 5.0% Target Return on Surplus:	74.2%
Indicated Rate Change - 5.0% Target Return on Surplus:	-22.5%

[1] Reflects exposure through June 30, 2009.

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010

Derivation of ISMIE Loss and ALAE Pure Premium

(1)	ISMIE Mutual Insurance Company (ISMIE) Filed $1,000,000 / $3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Manual Rate (Effective October 1, 2009)	16,988
(2)	ISMIE Indicated Rate Change (Assumed)	0.0%
(3)	ISMIE Filed Rate Change	0.0%
(4)	ISMIE Indicated $1,000,000 / $3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Manual Rate (Effective October 1, 2009); (1) * [1 + (2)] / [1 + (3)]	16,988
(5)	ISMIE Overall Average Credit	26.0% [1]
(6)	ISMIE Indicated $1,000,000 / $3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Collected Rate, (Effective October 1, 2009); (4) x [1 - (5)]	12,571
(7)	ISMIE Target Loss and LAE Ratio (Including DDR)	91.2% [2]
(8)	ISMIE ULAE Load at $1,000,000 / $3,000,000 Limits	4.5% [1]
(9)	ISMIE DDR Load at $1,000,000 / $3,000,000 Limits	4.8% [1]
(10)	ISMIE Target Loss and ALAE Ratio (Excluding DDR); (7) / [1 + (8)] / [1 + (9)]	83.2% [2,3]
(11)	ISMIE Indicated Undiscounted Loss and ALAE, $1,000,000 / $3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Pure Premium, Excluding DDR (Effective October 1, 2009); (6) x (10)	10,465
(12)	Trend Factor to January 1, 2010 Effective Date at 4.0% Annual Trend	1.010
(13)	Trended to January 1, 2010 ISMIE Indicated Undiscounted Loss & ALAE, $1,000,000 / $3,000,000 Limits, Mature Claims-Made Family Practice - No Surgery, Remainder of State Pure Premium, Excluding DDR; (11) x (12)	10,570

[1] From ISMIE rate filing effective July 1, 2006
[2] Based on review of ISMIE premium and claims experience from Annual Statement as of December 31, 2008
[3] Reflects annualized trend rate of 0.0% through 2008 and 4.0% subsequent

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010

Derivation of Class Plan Offset

PSIC Class	AMA Distribution of Physician Population	PSIC Proposed Relativity	Average ISMIE Relativity
1	3.6%	0.650	0.567
2	8.4%	0.850	0.764
3	22.6%	1.000	1.065
4	27.2%	1.250	1.004
5	7.7%	1.500	1.492
6	3.2%	1.650	1.533
7	3.7%	2.150	1.735
8	2.3%	2.500	1.730
9	7.4%	3.000	2.235
10	0.4%	3.350	2.167
11	0.9%	3.750	2.038
12	6.8%	4.500	4.078
13	4.9%	5.500	4.222
14	0.9%	6.750	6.953
Total	100.0%	1.872	1.613

Class Plan Offset (For ISMIE Proposed Relativities) = 1.613 / 1.872 = 0.862.

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010

Comparison of Territorial Rating Plans

PSIC Current

Area	Relativity
Cook, Madison, and Saint Clair Counties	2.088
DuPage, Kane, Lake, McHenry, and Will Counties	1.546
Champaign, Macon, Jackson, Vermilion, Sangamon, DeKalb, Kankakee, Lasalle, Ogle, Randolph, and Winnebago Counties	1.364
Remainder of State	1.000

ISMIE

Area	Relativity
Cook, Jackson, Madison, Saint Clair, and Will Counties	1.910
Vermilion County	1.728
Kane, Lake, McHenry, and Winnebago Counties	1.637
Kankakee County	1.455
Bureau, Champaign, Coles, DeKalb, DuPage, Effingham, Lasalle, Macon, Ogle, and Randolph Counties	1.364
Grundy County	1.182
Adams, Knox, and Peoria Counties	0.909
Sangamon County	1.091
Rock Island County	0.909
Remainder of State	1.000

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010

Derivation of Overall Average Territorial Plan Factors

County	Number of Physicians Based on AMA	Percentage of Total Physicians	PSIC Current Relativity	ISMIE Relativity
Adams	180	0.5%	1.000	0.909
Bureau	46	0.1%	1.000	1.364
Champaign	680	1.7%	1.364	1.364
Coles	87	0.2%	1.000	1.364
Cook	21,969	56.0%	2.088	1.910
DeKalb	99	0.3%	1.364	1.364
DuPage	4,297	11.0%	1.546	1.364
Effingham	80	0.2%	1.000	1.364
Grundy	52	0.1%	1.000	1.182
Jackson	195	0.5%	1.364	1.910
Kane	743	1.9%	1.546	1.637
Kankakee	179	0.5%	1.364	1.455
Knox	112	0.3%	1.000	0.909
Lake	2,537	6.5%	1.546	1.637
Lasalle	133	0.3%	1.364	1.364
Macon	281	0.7%	1.364	1.364
Madison	344	0.9%	2.088	1.910
McHenry	414	1.1%	1.546	1.637
Ogle	38	0.1%	1.364	1.364
Peoria	963	2.5%	1.000	0.909
Randolph	38	0.1%	1.364	1.364
Rock Island	319	0.8%	1.000	0.909
Saint Clair	545	1.4%	2.088	1.910
Sangamon	1,060	2.7%	1.364	1.091
Vermilion	149	0.4%	1.364	1.728
Will	756	1.9%	1.546	1.910
Winnebago	826	2.1%	1.364	1.637
Remainder of State	2,118	5.4%	1.000	1.000
Total	**39,240**	**100.0%**	**1.789**	**1.683**
Overall Average Territorial Plan Factors Relative to PSIC			**1.000**	**0.941**

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010

Selection of PSIC Mature Claims-Made Loss & LAE Pure Premium

(1)	a)	Trended to January 1, 2010 ISMIE, Undiscounted Loss & ALAE, $1,000,000 / $3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Pure Premium, Statewide Pure Premium, Excluding DDR	10,570
	b)	ISMIE Pure Premium Adjustment to Reflect PSIC Class Plan	0.862
	c)	ISMIE Pure Premium Adjustment to Reflect PSIC Territorial Plan	0.941
	d)	Indicated (from ISMIE) PSIC Undiscounted Loss & ALAE, $1,000,000 / $3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Statewide Pure Premium (Excluding DDR); (1.a.) x (1.b.) x (1.c.)	8,567
(2)	a)	Selected PSIC Undiscounted Loss & ALAE, $1,000,000 / $3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Statewide Pure Premium (Excluding DDR);	8,567
	b)	PSIC ULAE Load at $1,000,000 / $3,000,000 Limits	4.5%
	c)	PSIC DDR Load	4.0%
	d)	PSIC Undiscounted Loss & LAE, $1,000,000 / $3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Statewide Pure Premium (Including DDR); (2.a.) x [1 + (2.b.)] x [1 + (2.c.)]	9,310

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010

Credibility Factor

(1)	Number of claims reported over experience period	44
(2)	Number of claims selected for full credibility	683
(3)	Illinois selected credibility; $\sqrt{[(1) / (2)]}$	25.4%

Professional Solutions Insurance Company
Illinois Physicians and Surgeons Professional Liability
Rate Analysis Effective as of January 1, 2010

Derivation of Mature Claims-Made Remainder of State Rate
Target Return on Surplus of 5.0%

(1)	PSIC Undiscounted Loss & LAE, $1,000,000 / $3,000,000 Limits, Mature Claims-Made, Family Practice - No Surgery, Remainder of State Pure Premium (Including DDR)	9,310
(2)	PSIC Target Combined Ratio	
	a) Loss & LAE Ratio (Including DDR)	80.6%
	b) Expense Ratio	21.0%
	c) Target Combined Ratio	101.6%
(3)	Indicated PSIC Mature Claims-Made Family Practice - No Surgery, Remainder of State Collected Rate, $1,000,000 / $3,000,000 Limits, Effective January 1, 2010; (1) / (2a)	11,550
(4)	Assumed Overall Average Credit	15.0%
(5)	Indicated PSIC Mature Claims-Made Family Practice - No Surgery, Remainder of State Manual Rate, $1,000,000 / $3,000,000 Limits, Effective January 1, 2010; (3) / [1 - (4)]	13,589
(6)	PSIC Current Rate	11,615
(7)	Indicated Manual Rate Change - Competitor Pure Premium Method (5) / (6) - 1	17.0%
(8)	Indicated Manual Rate Change - PSIC Based Loss Ratio Method	-22.5%
(9)	Credibility Factor - Historical PSIC Loss Experience	25.4%
(10)	Credibility Weighted Indicated Manual Rate Change; (7)*[1-(9)] + (8)*(9)	7.0%
(11)	PSIC Proposed Manual Rate Change	6.0%
(12)	PSIC Proposed Manual Rate, Effective January 1, 2010; (6) * [1 + (11)]	12,312

PROFESSIONAL SOLUTIONS INSURANCE COMPANY

STATE OF ILLINOIS

PHYSICIANS AND SURGEONS

PROFESSIONAL LIABILITY MANUAL

CLAIMS MADE COVERAGE

replaced on 12-10-09

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This claims made program covers Physicians and Surgeons engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan beginning on page 10 for a description of each risk/rating category for physicians, surgeons.

Employees of health care professionals are also included as insureds for their acts while performing duties within the scope of their discipline while under the direction and supervision of the insured named in the coverage summary. Refer to pages 12 and 13 for a listing of the mid-level ancillary medical personnel who may be covered by either a shared or separate limit of liability.

This program also provides coverage for both medical clinics and individual practicing physicians for the liability exposure of a partnership, corporation or professional association on either a separate or shared limit basis. Refer to the professional entity coverage section on page 12 for a description of the partnership, corporation or professional association rating factors.

II. PREMIUM DETERMINATION

1. Determine the manual rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the most appropriate class specialty being rated.
3. Apply the appropriate increase limit factor.
4. Apply the appropriate claims made step factor to reach the undiscounted premium.
5. Apply the deductible credit, if applicable.
6. Apply credit, if necessary, for new practitioner or part-time status.
7. Apply any applicable credits for scheduled or experience rating.
8. Apply rounding.
9. Example Premium Calculation:

   Assume the full time undiscounted premium is $1,000 and no new practitioner or part-time status applies. Additional credits or debits will be applied in consecutive order.

   $1,000 x .95 = $950.00 (Schedule rating credit of 5%)
   $950.00 x .95 = $902.50 (Size of risk credit of 5%)
   $902.50 = $903.00 (Apply rounding)

III. POLICY PERIOD

The policy period shall be for a one-year term, unless in the middle of a claims made year. In this instance, a short-term policy may be issued to expire on the member's original expiration date. The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If the premium is .50 or greater, round to next higher whole dollar. If the premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: $1,234.30 is rounded to $1,234.
$1,234.60 is rounded to $1,235.

V. PRACTICE LOCATION

Practitioners who conduct a percentage of their practice located in another state or territory will be assessed additional premium, based upon the percentage of time spent in the other state or territory.

A. For insureds who practi i multiple states, the location of their primary tice will determine the manual rate, with a premium debit of 25%, to be applied, based on their practice in the secondary state. The 25% debit will not be applied if the primary state's manual rate is higher.

B. If more than one location of practice exists within the same state, the rate from the highest territory will be applied.

C. The insured must be licensed in all states where practicing.

VI. POLICY CANCELLATION

A. Cancellation By the Insured

The insured may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is cancelled sooner by the Company in accordance with the laws of the State of Illinois.

If the insured cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If the Company cancels the policy, earned premium shall be computed pro rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard cancellation notice will be sent 60 days prior to cancellation, except that in the event of non-payment of premium, then not less than ten (10) days prior notice will be given.

VII. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required as the initial down payment with remaining payments of 25% each due at 3, 6 & 9 months after policy inception
4. Other payment options available upon request for large group accounts.

There is no installment fee charge or interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction. If the policy is issued with a final fully discounted premium less than $500, the policy must be billed on an annual basis.

VIII. RENEWALS

The policy will be renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

IX. SPECIAL PROVISIONS

A. Retroactive Coverage

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by Professional

Solutions Insurance Co ıy. The insured may apply for the Retroactiv te (shown on the Coverage Summary) that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

B. Basic Reporting Extension

This provision applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a thirty (30) day Basic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Basic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

C. Extended Reporting Coverage, also called Tail Coverage

Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

The following factors will be applied to the undiscounted mature claims made premium in effect at the time the policy is terminated to calculate the extended reporting endorsement premium:

# of Years Completed in Claims Made Program	Tail Factor
1	0.92
2	1.43
3	1.70
4+	1.87

Professional Solutions Insurance Company cannot cancel the Extended Reporting Coverage except for non-payment of the additional premium. Premium is due in full at the time of purchase; no payment plans will be offered.

The Company provides Extended Reporting Coverage automatically, at no additional charge, in the event that the insured dies or becomes permanently disabled. The Company also provides Extended Reporting Coverage automatically, at no additional charge, in the event the insured retires at or after age fifty-five (55) and after having been continuously insured with Professional Solutions Insurance Company under a claims made policy for five (5) years.

D. Change in Rating Classification

In the event of a change in exposure or medical specialty of the practitioner, a premium charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

E. New Practitioner

A new practitioner is defined as a person who has completed his or her training, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by Professional Solutions Insurance Company.

1st year	50% credit
2nd year	30% credit
3rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits, except for Size of Risk.

F. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The insured must complete an application for part-time credit. If the application is approved, credits will be given by year according to the following schedule:

1st year	20% credit
2nd year	30% credit
3rd year	40% credit
4th year	50% credit

Those who receive a part-time practitioner credit will not be eligible to receive any further credits, except for Experience Rating and the Size of Risk Credit.

G. Locum Tenens

Locum Tenens working in the place of an insured shall be provided coverage at no additional premium, for a period not to exceed forty-five (45) days per policy term. A completed application must be submitted to the Company for prior underwriting approval.

H. Moonlighting Resident

Following graduation from medical school, a physician may elect to enter a residency program. Third and fourth year medical residents will be charged at the reduced rate of 50% applied to the undiscounted manual rate. Those who qualify for this rating will not be eligible for any additional scheduled or experience rating.

I. Deductible

The insured may elect to pay a deductible towards the amount paid to claimants as damages. The deductible will be collected after the payment of the claim. The following credits apply to the undiscounted premium:

	Deductible Factors (Loss Only)			
Policy Limits	**$5,000/$15,000**	**$10,000/$30,000**	**$15,000/$45,000**	**$20,000/$60,000**
$100,000/$300,000	0.956	0.933	0.911	0.878
$200,000/$600,000	0.967	0.950	0.933	0.908
$250,000/$750,000	0.969	0.954	0.938	0.915
$500,000/$1,000,000	0.975	0.963	0.950	0.931
$1,000,000/$3,000,000	0.980	0.970	0.960	0.945
$2,000,000/$4,000,000	0.984	0.976	0.967	0.955

Policy Limits	Deductible Factors (L Only) $25,000/$75,000	$50,000/$150,000	$100,000/$300,000	$200,000/$600,000
$100,000/$300,000	0.844	0.789	N/A	N/A
$200,000/$600,000	0.883	0.841	0.741	N/A
$250,000/$750,000	0.892	0.854	0.761	0.615
$500,000/$1,000,000	0.913	0.881	0.806	0.688
$1,000,000/$3,000,000	0.930	0.905	0.845	0.750
$2,000,000/$4,000,000	0.943	0.922	0.873	0.796

Policy Limits	Deductible Factors (Loss Only) $250,000/$750,000	$500,000/$1,500,000
$100,000/$300,000	N/A	N/A
$200,000/$600,000	N/A	N/A
$250,000/$750,000	N/A	N/A
$500,000/$1,000,000	0.625	N/A
$1,000,000/$3,000,000	0.700	0.650
$2,000,000/$4,000,000	0.755	0.714

X. SCHEDULED RATING

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 15% credit to a 40% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this scheduled rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

1. **Cumulative Years of Patient Experience: 5% Credit**

   Insureds who have demonstrated a stable, longstanding practice and/or significant degree of experience in their area of medicine.

2. **Classification Differences: 5% Credit / 15%-25% Debit**

   Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.

3. **Implementation of Loss Control Procedures: 3% or 5% Credit**

   In order to qualify for this credit, the insured must demonstrate that credible loss control procedures have been properly implemented, and that these procedures will reduce the frequency and severity of claims.

4. **Number / Type of Patient Exposure: 5%-10% Debit**

   Size and/or demographics of the patient population, which influences the frequency, and/or severity of claims.

5. **Board Certification Credit: 3% or 5% Credit**

   In order to receive this credit, the insured must provide documentation of current board certification in one or more specialties of the insured's current practice.

6. Longevity Credit

Insureds will be eligible for a credit based on length of time insured with the Company. The following schedule will apply:

1 yr	0%
2 yrs	2%
3 yrs	3%
4 yrs	4%
5+ yrs	5%

XI. ADDITIONAL CREDITS

Size of Risk Credit

Insureds who are part of or employees of a professional association, corporation, or other group who become insureds of Professional Solutions Insurance Company shall be eligible for a credit based on the volume of premium brought to Professional Solutions Insurance Company. Insureds may receive this credit in addition to the other individual credits available. The size of risk credit will be applied to the undiscounted, total aggregate premium of the individual insureds, plus the corporation charge.

Premium	Credit
$100,001 - $200,000	.50%
$200,001 - $300,000	1.0%
$300,001 - $400,000	1.5%
$400,001 - $500,000	2.0%
$500,001 - $600,000	2.5%
$600,001 - $700,000	3.0%
$700,001 - $800,000	3.5%
$800,001 - $900,000	4.0%
$900,001 - $1,000,000	4.5%
over $1,000,000	5.0%

XII. EXPERIENCE RATING

Claims free credits

A claim is defined as a claim closed with incurred indemnity equal to or greater than $10,000.00.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
4 yrs	10%
5+ yrs	15%

Claims debits

Claim debit factors – individual policy:

Three (3) claims opened in the past five (5) years:	5%
Four (4) claims opened in the past five (5) years:	7%
Five (5) claims opened in the past five (5) years:	10%

Claim debit factors – partnership/corporate policy:

# OF CLAIMS IN 5 YEARS	FACTOR
1-2	1.000
3-4	1.500

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

a. The applicant
b. The agent or broker
c. All previous insurers with respect to the experience period in question.

XIII. ENDORSED COVERAGES-Coverage Options

Solo Practitioner Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-18

This endorsement provides a shared limit of liability at no additional charge to an insured's professional entity, as long as the entity does not employ any other licensed health care providers.

Professional Entity with Separate Limits of Liability Endorsement- Form PSIC-CM-03

This endorsement provides one separate limit of liability to the insured's professional entity or entities. Multiple entities will share the one separate limit of liability. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Persons Insured" under the policy.

Mid-Level Ancillary Medical Personnel Sharing Limits with Professional Entity Endorsement- Form PSIC-CM-20

This endorsement provides coverage for licensed, mid-level ancillary medical personnel to share the separate limit of liability of the entity stated on the declaration page. Coverage is provided only for the liability of the employed, licensed, mid-level ancillary medical personnel listed on this endorsement, while acting under the direction and supervision of the insured and within the scope of their license.

Professional Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-21

This endorsement provides a shared limit of liability for a professional entity owned by the individual insured and/or insured members of the entity (e.g. for those that do not qualify for the solo practitioner shared limit coverage and that do not purchase separate limits). This endorsement may be added to more than one individual insured's policy.

Mid-Level Ancillary Medical Personnel Coverage Endorsement- Form PSIC-CM-22

This endorsement provides a separate limit of liability to be shared by employed, licensed, mid-level ancillary medical personnel. This option will be used when the insured does not have professional entity separate limit of liability coverage and the mid-level ancillary medical personnel do not desire individual separate limits.

Additional Insured Endorsement-Form PSIC-CM-05

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be 15% of the manual corporation/partnership premium.

Temporary Leave of Absence Endorsement-Form PSIC-CM-06

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave, Military Leave or any other reason pre-approved by Professional Solutions Insurance Company – Does not apply to vacations

Extended Reporting Endorsement-Form PSIC-CM-07

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Medical Laboratory Endorsement-Form PSIC-CM-10

This endorsement provides a shared limit of liability with the insured physician or the insured physician's entity for a medical laboratory facility. The premium for the endorsement is based on the following:

a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.

b. as an additional insured at 25% of the mature Class 1 rate, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

Specialty Classification Amendment Endorsement-Form PSIC-CM-11

This endorsement will be attached to the policy if the insured amends their medical specialty during the policy period. This endorsement will extend coverage for claims that are reported under the insured's previous medical specialty. The premium will be adjusted based on the change of the specialty classification.

Professional Entity with Affiliated Physician Separate Limits of Liability Endorsement- Form PSIC-CM-23

This endorsement provides one separate limit of liability applicable only to the professional entity or entities specifically stated in the endorsement. In addition, coverage is provided for any claim against the insured entity or entities for the vicarious liability of the affiliated healthcare provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a 35% additional premium charge for this endorsement.

Active Military Duty Endorsement- Form PSIC-CM-24

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Each Claim and Aggregate Deductible Endorsement- Form PSIC-CM-25

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The credit applies to the undiscounted premium.

Each Claim and Aggregate Deductible – Multiple Insureds Endorsement- Form PSIC-CM-26

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The each claim deductible continues to apply separately to each insured involved in a claim until the annual aggregate deductible stated in this endorsement is reached. The credit for this endorsement applies to the undiscounted premium.

Limited Vicarious Liability Entity Extended Reporting Endorsement- Form PSIC-CM-27

This endorsement provides for unlimited extended reporting of claims made against the insured entity for the acts or omissions of the previously insured physician listed on the endorsement. There is no additional charge for this endorsement.

XIV. Classification Plan – Refer to rate sheet for manual rate information.

ISO Specialty Codes M.D.	ISO Specialty Codes D.O.	Class	Description	FACTOR
80230		1	Aerospace Medicine	0.650
80254		1	Allergy/Immunology	0.650
80256		1	Dermatology - No Surgery	0.650
80240		1	Forensic Medicine	0.650
80248		1	Nutrition	0.650
80233		1	Occupational Medicine	0.650

80263	1	hthalmology - No Surgery	0.650
80235	1	Physiatry/Physical Medicine	0.650
80231	1	Preventive Medicine - No Surgery	0.650
80251	1	Psychosomatic Medicine	0.650
80236	1	Public Health	0.650
80237	2	Diabetes - No Surgery	0.850
80238	2	Endocrinology - No Surgery	0.850
80243	2	Geriatrics - No Surgery	0.850
80244	2	Gynecology - No Surgery	0.850
80260	2	Nephrology - No Surgery	0.850
80262	2	Nuclear Medicine	0.850
80268	2	Physicians - No Surgery N.O.C.	0.850
80995	2	Podiatry - Soft Tissue	0.850
80249	2	Psychiatry including child - No ECT	0.850
81249	2	Psychiatry, no child, including ECT	0.850
80252	2	Rheumatology - No Surgery	0.850
80151	3	Anesthesiology	1.000
80255	3	Cardiovascular Disease - No Surgery	1.000
80420	3	Family Phys. or Gen. Prac. - No Surgery	1.000
80241	3	Gastroenterology - No Surgery	1.000
80245	3	Hematology - No Surgery	1.000
80246	3	Infectious Diseases - No Surgery	1.000
80257	3	Internal Medicine - No Surgery	1.000
80258	3	Laryngology - No Surgery	1.000
80259	3	Neoplastic Diseases - No Surgery	1.000
80259	3	Oncology - No Surgery	1.000
80264	3	Otology - No Surgery	1.000
80265	3	Otorhinolaryngology - No Surgery	1.000
80196	3	Pain Management	1.000
80266	3	Pathology - No Surgery	1.000
80267	3	Pediatrics - No Surgery	1.000
80269	3	Pulmonary Diseases - No Surgery	1.000
80247	3	Rhinology - No Surgery	1.000
80287	4	Nephrology - Minor Surgery	1.250
80286	4	Oncology - Minor Surgery	1.250
80289	4	Ophthalmology - Minor Surgery	1.250
80114	4	Ophthalmology Surgery	1.250
80298	4	Pulmonary Diseases - Minor Surgery	1.250
80120	4	Urology - Minor Surgery	1.250
80281	5	Cardiovascular Disease - Minor Surgery	1.500
80282	5	Dermatology - Minor Surgery	1.500
80271	5	Diabetes - Minor Surgery	1.500
80272	5	Endocrinology - Minor Surgery	1.500
80421	5	Family Phys. or Gen. Prac.- Minor Surgery	1.500
80274	5	Gastroenterology - Minor Surgery	1.500
80276	5	Geriatrics - Minor Surgery	1.500
80277	5	Gynecology - Minor Surgery	1.500
80278	5	Hematology - Minor Surgery	1.500
80279	5	Infectious Diseases - Minor Surgery	1.500
80284	5	Internal Medicine - Minor Surgery	1.500
80285	5	Laryngology - Minor Surgery	1.500
80261	5	Neurology - No Surgery	1.500
80290	5	Otology - Minor Surgery	1.500

80291	5	orhinolaryngology - Minor Surgery	1.500
80293	5	Pediatrics - Minor Surgery	1.500
80294	5	Physicians - Minor Surgery N.O.C.	1.500
89298	5	Pulmonary - Critical Care	1.500
80253	5	Radiology Diagnostic - No Surgery	1.500
80270	5	Rhinology - Minor Surgery	1.500
80145	5	Urological Surgery	1.500
80283	6	Intensive Care Medicine	1.650
80286	6	Neoplastic Diseases - Minor Surgery	1.650
80288	6	Neurology - Minor Surgery	1.650
80292	6	Pathology - Minor Surgery	1.650
80280	6	Radiology Diagnostic - Minor Surgery	1.650
80101	7	Broncho-Esophagology	2.150
80103	7	Endocrinology Surgery	2.150
80104	7	Gastroenterology Surgery	2.150
80105	7	Geriatrics Surgery	2.150
80804	7	Neonatal/Perinatal Medicine	2.150
80108	7	Nephrology Surgery	2.150
80159	7	Otorhinolaryngology - No Plastic Surgery	2.150
80136	7	Radiology Including Radiation Therapy	2.150
80115	8	Colon and Rectal Surgery	2.500
80106	8	Laryngology Surgery	2.500
80107	8	Neoplastic Surgery	2.500
80164	8	Oncology Surgery	2.500
80158	8	Otology	2.500
80160	8	Rhinology Surgery	2.500
80102	9	Emergency Medicine - No Major Surgery	3.000
80521	9	Gen. Prac. or Fam. Prac. (0-24 deliveries – No High Risk)	3.000
80117	9	General Prac. or Family Prac. Surgery	3.000
80143	9	General Surgery	3.000
80169	10	Hand Surgery	3.350
89154	10	Orthopedic Surgery - No Spine	3.350
80155	10	Otorhinolaryngology w/Plastic Surgery	3.350
80166	11	Abdominal Surgery	3.750
80157	11	Emergency Medicine Surgery	3.750
80167	11	Gynecology Surgery	3.750
80170	11	Head and Neck Surgery	3.750
80141	12	Cardiac Surgery	4.500
80150	12	Cardiovascular Disease Surgery	4.500
80472	12	Dermatology Surgery	4.500
80154	12	Orthopedic Surgery - Including Spine	4.500
80156	12	Plastic N.O.C. Surgery	4.500
80144	12	Thoracic Surgery	4.500
80171	12	Traumatic Surgery	4.500
80146	12	Vascular Surgery	4.500
80153	13	Obstetrics Gynecology Surgery	5.500
80168	13	Obstetrics Surgery	5.500
80152	14	Neurology Surgery	6.750

Mid-Level Ancillary Medical Personnel Rating:

		(Factors based on 80420 unless otherwise noted)	
			Employed Personnel
ISO Specialty Codes	Mid-Level Ancillary Medical Personnel	Shared Limit Factor	Separate Limit Factor
80807	Physician Assistant	0.090	0.300
80808	Surgical Assistant	0.090	0.300
80709	Nurse Practitioner	0.090	0.300
80806	Psychologist	0.040	0.080
80960	Nurse Anesthetist	0.150	0.560
80970	Heart-Lung Perfusion Technician	0.110	0.400
80972	Operating Room Technician	0.050	0.200
80971	Scrub Nurse	0.050	0.200
80994	Optometrist **(Factors based on 80114)**	0.025	0.050

XV. Professional Entity Coverage

A. Solo Practitioner Corporation:

Coverage for an insured's professional entity may be written with a shared limit of liability at no additional charge as long as the entity does not employ any other licensed health care providers.

B. Shared Limits of Liability:

Coverage for professional entities other than solo practitioners may be written with a shared limit of liability. The charge for shared limits of liability will be 3% of the insured's manual rate.

C. Separate Limits of Liability:

Coverage for professional entities may be written with a separate limit of liability. Multiple entities will share the separate limit of liability.

1. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the manual rate of all insured providers, with the maximum premium limited to a cap of the top highest rated 5 healthcare providers listed on the Declarations Schedule of Insureds when calculating the premium. There will only be a charge for the first entity.
2. There will be an additional 35% premium charge for entities in which not all members, stockholders or employees are insured with Professional Solutions Insurance Company.

D. Mid-Level Ancillary Medical Personnel Coverage:

1. Coverage for licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share the separate limit of liability with the entity stated on the declaration page. The premium charge for sharing the entity's separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.
2. Coverage for at least two licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share collectively in the separate limit of liability. The premium charge for sharing the separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.

XVI. Mid-Level Ancillary Medical Personnel Coverage – Individual Separate Limits

Licensed, mid-level ancillary medical personnel may be individually covered by the Company by payment of an additional premium. Coverage is available only on a separate individual limits basis for employees of physicians insured by PSIC. The premium charge for this coverage will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate. If higher limits of liability are requested, the appropriate increase limit factor will be applied.

XVII. Rates

Physicians and Surgeons Mature Claims Made Rate (for Class 3 provider @ 100/300 limits)

Illinois Territory 01 - (Cook, Madison and St. Clair counties)	**$10,282.00**
Illinois Territory 02 - (DuPage, Kane, Lake, McHenry and Will counties)	**$7,613.00**
Illinois Territory 03 - (Champaign, Macon, Jackson, Vermillion, Sangamon, DeKalb, Kankakee, LaSalle, Ogle, Randolph, Winnebego and Jackson counties)	**$6,717.00**
Illinois Territory 04 - (Remainder of State)	**$4,925.00**

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
$100,000/$300,000	1.000
$200,000/$600,000	1.375
$250,000/$750,000	1.500
$500,000/$1,000,000	1.875
$1,000,000/$3,000,000	2.500
$2,000,000/$4,000,000	3.125

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

Side-by-Side Rating Manual Comparison

Attached please find a comparison of Professional Solutions Insurance Company's currently approved lawyers professional liability rating manual and its revised rating manual. All information that has been deleted from the currently approved manual is shown with a ~~strike through~~ and all new information that has been added to the new proposed manual is <u>underlined.</u>

To see where the changes are, scroll down.

PROFESSIONAL SOLUTIONS INSURANCE COMPANY

STATE OF ILLINOIS

PHYSICIANS AND SURGEONS

PROFESSIONAL LIABILITY MANUAL

CLAIMS MADE COVERAGE

PROFESSIONAL SOLUTIONS

INSURANCE COMPANY

STATE OF ILLINOIS

PHYSICIANS AND SURGEONS

PROFESSIONAL LIABILITY MANUAL

CLAIMS MADE COVERAGE

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This claims made program covers Physicians and Surgeons engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan beginning on page 10 for a description of each risk/rating category for physicians, surgeons.

Employees of health care professionals are also included as insureds for their acts while performing duties within the scope of their discipline while under the direction and supervision of the insured named in the coverage summary. Refer to pages 12 and 13 for a listing of the mid-level ancillary medical personnel who may be covered by either a shared or separate limit of liability.

This program also provides coverage for both medical clinics and individual practicing physicians for the liability exposure of a partnership, corporation or professional association on either a separate or shared limit basis. Refer to the professional entity coverage section on page 12 for a description of the partnership, corporation or professional association rating factors.

II. PREMIUM DETERMINATION

1. Determine the manual rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the most appropriate class specialty being rated.
3. Apply the appropriate increase limit factor.
4. Apply the appropriate claims made step factor to reach the undiscounted premium.
5. Apply the deductible credit, if applicable.
6. Apply credit, if necessary, for new practitioner or part-time status.
7. Apply any applicable credits for scheduled or experience rating.
8. Apply rounding.
9. Example Premium Calculation:

   Assume the full time undiscounted premium is $1,000 and no new practitioner or part-time status applies. Additional credits or debits will be applied in consecutive order.

   $1,000 x .95 = $950.00 (Schedule rating credit of 5%)
   $950.00 x .95 = $902.50 (Size of risk credit of 5%)
   $902.50 = $903.00 (Apply rounding)

III. POLICY PERIOD

The policy period shall be for a one-year term, unless in the middle of a claims made year. In this instance, a short-term policy may be issued to expire on the member's original expiration date. The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If the premium is .50 or greater, round to next higher whole dollar. If the premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: $1,234.30 is rounded to $1,234.
$1,234.60 is rounded to $1,235.

V. PRACTICE LOCATION

Practitioners who conduct a percentage of their practice located in another state or territory will be assessed additional premium, based upon the percentage of time spent in the other state or territory.

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V. PRACTICE LOCATION

Practitioners who conduct a percentage of their practice located in another state or territory will be assessed additional premium, based upon the percentage of time spent in the other state or territory.

A. For insureds who practice in multiple states, the location of their primary practice will determine the manual rate, with a premium debit of 25%, to be applied, based on their practice in the secondary state. The 25% debit will not be applied if the primary state's manual rate is higher.

B. If more than one location of practice exists within the same state, the rate from the highest territory will be applied.

C. The insured must be licensed in all states where practicing.

VI. POLICY CANCELLATION

A. Cancellation By the Insured

The insured may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is cancelled sooner by the Company in accordance with the laws of the State of Illinois.

If the insured cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If the Company cancels the policy, earned premium shall be computed pro rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard cancellation notice will be sent 60 days prior to cancellation, except that in the event of non-payment of premium, then not less than ten (10) days prior notice will be given.

VII. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required as the initial down payment with remaining payments of 25% each due at 3, 6 & 9 months after policy inception
4. Other payment options available upon request for large group accounts.

There is no installment fee charge or interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction. If the policy is issued with a final fully discounted premium less than $500, the policy must be billed on an annual basis.

VIII. RENEWALS

The policy will be renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

IX. SPECIAL PROVISIONS

A. Retroactive Coverage

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by Professional

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Solutions Insurance Company. The insured may apply for the Retroactive Date (shown on the Coverage Summary) that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

B. Basic Reporting Extension

This provision applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a thirty (30) day Basic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Basic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

C. Extended Reporting Coverage, also called Tail Coverage

Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

The following factors will be applied to the undiscounted mature claims made premium in effect at the time the policy is terminated to calculate the extended reporting endorsement premium:

# of Years Completed in Claims Made Program	Tail Factor
1	0.92
2	1.43
3	1.70
4+	1.87

Professional Solutions Insurance Company cannot cancel the Extended Reporting Coverage except for non-payment of the additional premium. Premium is due in full at the time of purchase; no payment plans will be offered.

The Company provides Extended Reporting Coverage automatically, at no additional charge, in the event that the insured dies or becomes permanently disabled. The Company also provides Extended Reporting Coverage automatically, at no additional charge, in the event the insured retires at or after age fifty-five (55) and after having been continuously insured with Professional Solutions Insurance Company under a claims made policy for five (5) years.

D. Change in Rating Classification

In the event of a change in exposure or medical specialty of the practitioner, a premium charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

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4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

E. New Practitioner

A new practitioner is defined as a person who has completed his or her training, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by Professional Solutions Insurance Company.

1st year	50% credit
2nd year	30% credit
3rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits, except for Size of Risk.

F. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The insured must complete an application for part-time credit. If the application is approved, credits will be given by year according to the following schedule:

1st year	20% credit
2nd year	30% credit
3rd year	40% credit
4th year	50% credit

Those who receive a part-time practitioner credit will not be eligible to receive any further credits, except for Experience Rating and the Size of Risk Credit.

G. Locum Tenens

Locum Tenens working in the place of an insured shall be provided coverage at no additional premium, for a period not to exceed forty-five (45) days per policy term. A completed application must be submitted to the Company for prior underwriting approval.

H. Moonlighting Resident

Following graduation from medical school, a physician may elect to enter a residency program. Third and fourth year medical residents will be charged at the reduced rate of 50% applied to the undiscounted manual rate. Those who qualify for this rating will not be eligible for any additional scheduled or experience rating.

I. Deductible

The insured may elect to pay a deductible towards the amount paid to claimants as damages. The deductible will be collected after the payment of the claim. The following credits apply to the undiscounted premium:

	Deductible Factors (Loss Only)			
Policy Limits	**$5,000/$15,000**	**$10,000/$30,000**	**$15,000/$45,000**	**$20,000/$60,000**
$100,000/$300,000	0.956	0.933	0.911	0.878
$200,000/$600,000	0.967	0.950	0.933	0.908
$250,000/$750,000	0.969	0.954	0.938	0.915
$500,000/$1,000,000	0.975	0.963	0.950	0.931
$1,000,000/$3,000,000	0.980	0.970	0.960	0.945
$2,000,000/$4,000,000	0.984	0.976	0.967	0.955

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$2,000,000/$4,000,000	0.984	0.976	0.967	0.955

	Deductible Factors (Loss Only)			
Policy Limits	**$25,000/$75,000**	**$50,000/$150,000**	**$100,000/$300,000**	**$200,000/$600,000**
$100,000/$300,000	0.844	0.789	N/A	N/A
$200,000/$600,000	0.883	0.841	0.741	N/A
$250,000/$750,000	0.892	0.854	0.761	0.615
$500,000/$1,000,000	0.913	0.881	0.806	0.688
$1,000,000/$3,000,000	0.930	0.905	0.845	0.750
$2,000,000/$4,000,000	0.943	0.922	0.873	0.796

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Policy Limits	**$250,000/$750,000**	**$500,000/$1,500,000**
$100,000/$300,000	N/A	N/A
$200,000/$600,000	N/A	N/A
$250,000/$750,000	N/A	N/A
$500,000/$1,000,000	0.625	N/A
$1,000,000/$3,000,000	0.700	0.650
$2,000,000/$4,000,000	0.755	0.714

X. SCHEDULED RATING

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 15% credit to a 40% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this scheduled rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

1. **Cumulative Years of Patient Experience: 5% Credit**

   Insureds who have demonstrated a stable, longstanding practice and/or significant degree of experience in their area of medicine.

2. **Classification Differences: 5% Credit / 15%-25% Debit**

   Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.

3. **Implementation of Loss Control Procedures: 3% or 5% Credit**

   In order to qualify for this credit, the insured must demonstrate that credible loss control procedures have been properly implemented, and that these procedures will reduce the frequency and severity of claims.

4. **Number / Type of Patient Exposure: 5%-10% Debit**

   Size and/or demographics of the patient population, which influences the frequency, and/or severity of claims.

5. **Board Certification Credit: 3% or 5% Credit**

   In order to receive this credit, the insured must provide documentation of current board certification in one or more specialties of the insured's current practice.

Policy Limits	Deductible Factors (Loss Only) $25,000/$75,000	$50,000/$150,000	$100,000/$300,000	$200,000/$600,000
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The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 15% credit to a 40% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this scheduled rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

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5. **Board Certification Credit: 3% or 5% Credit**

   In order to receive this credit, the insured must provide documentation of current board certification in one or more specialties of the insured's current practice.

6. Longevity Credit

Insureds will be eligible for a credit based on length of time insured with the Company. The following schedule will apply:

1 yr	0%
2 yrs	2%
3 yrs	3%
4 yrs	4%
5+ yrs	5%

XI. ADDITIONAL CREDITS

Size of Risk Credit

Insureds who are part of or employees of a professional association, corporation, or other group who become insureds of Professional Solutions Insurance Company shall be eligible for a credit based on the volume of premium brought to Professional Solutions Insurance Company. Insureds may receive this credit in addition to the other individual credits available. The size of risk credit will be applied to the undiscounted, total aggregate premium of the individual insureds, plus the corporation charge.

Premium	Credit
$100,001 - $200,000	.50%
$200,001 - $300,000	1.0%
$300,001 - $400,000	1.5%
$400,001 - $500,000	2.0%
$500,001 - $600,000	2.5%
$600,001 - $700,000	3.0%
$700,001 - $800,000	3.5%
$800,001 - $900,000	4.0%
$900,001 - $1,000,000	4.5%
over $1,000,000	5.0%

XII. EXPERIENCE RATING

Claims free credits

A claim is defined as a claim closed with incurred indemnity equal to or greater than $10,000.00.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
4 yrs	10%
5+ yrs	15%

6. Longevity Credit

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1 yr	0%
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Premium	Credit
$100,001 - $200,000	.50%
$200,001 - $300,000	1.0%
$300,001 - $400,000	1.5%
$400,001 - $500,000	2.0%
$500,001 - $600,000	2.5%
$600,001 - $700,000	3.0%
$700,001 - $800,000	3.5%
$800,001 - $900,000	4.0%
$900,001 - $1,000,000	4.5%
over $1,000,000	5.0%

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A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

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4 yrs	10%
5+ yrs	15%

Claims debits

Claim debit factors – individual policy:

Three (3) claims opened in the past five (5) years:	5%
Four (4) claims opened in the past five (5) years:	7%
Five (5) claims opened in the past five (5) years:	10%

Claim debit factors – partnership/corporate policy:

# OF CLAIMS IN 5 YEARS	FACTOR
1-2	1.000
3-4	1.500

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

a. The applicant
b. The agent or broker
c. All previous insurers with respect to the experience period in question.

XIII. ENDORSED COVERAGES-Coverage Options

Solo Practitioner Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-18

This endorsement provides a shared limit of liability at no additional charge to an insured's professional entity, as long as the entity does not employ any other licensed health care providers.

Professional Entity with Separate Limits of Liability Endorsement- Form PSIC-CM-03

This endorsement provides one separate limit of liability to the insured's professional entity or entities. Multiple entities will share the one separate limit of liability. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Persons Insured" under the policy.

Mid-Level Ancillary Medical Personnel Sharing Limits with Professional Entity Endorsement- Form PSIC-CM-20

This endorsement provides coverage for licensed, mid-level ancillary medical personnel to share the separate limit of liability of the entity stated on the declaration page. Coverage is provided only for the liability of the employed, licensed, mid-level ancillary medical personnel listed on this endorsement, while acting under the direction and supervision of the insured and within the scope of their license.

Claims debits

Claim debit factors – individual policy:

Three (3) claims opened in the past five (5) years:	5%
Four (4) claims opened in the past five (5) years:	7%
Five (5) claims opened in the past five (5) years:	10%

Claim debit factors – partnership/corporate policy:

# OF CLAIMS IN 5 YEARS	FACTOR
1-2	1.000
3-4	1.500

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

a. The applicant
b. The agent or broker
c. All previous insurers with respect to the experience period in question.

XIII. ENDORSED COVERAGES-Coverage Options

Solo Practitioner Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-18

This endorsement provides a shared limit of liability at no additional charge to an insured's professional entity, as long as the entity does not employ any other licensed health care providers.

Professional Entity with Separate Limits of Liability Endorsement- Form PSIC-CM-03

This endorsement provides one separate limit of liability to the insured's professional entity or entities. Multiple entities will share the one separate limit of liability. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Persons Insured" under the policy.

Mid-Level Ancillary Medical Personnel Sharing Limits with Professional Entity Endorsement- Form PSIC-CM-20

This endorsement provides coverage for licensed, mid-level ancillary medical personnel to share the separate limit of liability of the entity stated on the declaration page. Coverage is provided only for the liability of the employed, licensed, mid-level ancillary medical personnel listed on this endorsement, while acting under the direction and supervision of the insured and within the scope of their license.

Professional Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-21

This endorsement provides a shared limit of liability for a professional entity owned by the individual insured and/or insured members of the entity (e.g. for those that do not qualify for the solo practitioner shared limit coverage and that do not purchase separate limits). This endorsement may be added to more than one individual insured's policy.

Mid-Level Ancillary Medical Personnel Coverage Endorsement- Form PSIC-CM-22

This endorsement provides a separate limit of liability to be shared by employed, licensed, mid-level ancillary medical personnel. This option will be used when the insured does not have professional entity separate limit of liability coverage and the mid-level ancillary medical personnel do not desire individual separate limits.

Additional Insured Endorsement-Form PSIC-CM-05

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be 15% of the manual corporation/partnership premium.

Temporary Leave of Absence Endorsement-Form PSIC-CM-06

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave, Military Leave or any other reason pre-approved by Professional Solutions Insurance Company – Does not apply to vacations

Extended Reporting Endorsement-Form PSIC-CM-07

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Medical Laboratory Endorsement-Form PSIC-CM-10

This endorsement provides a shared limit of liability with the insured physician or the insured physician's entity for a medical laboratory facility. The premium for the endorsement is based on the following:

a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.

b. as an additional insured at 25% of the mature Class 1 rate, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

Professional Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-21

This endorsement provides a shared limit of liability for a professional entity owned by the individual insured and/or insured members of the entity (e.g. for those that do not qualify for the solo practitioner shared limit coverage and that do not purchase separate limits). This endorsement may be added to more than one individual insured's policy.

Mid-Level Ancillary Medical Personnel Coverage Endorsement- Form PSIC-CM-22

This endorsement provides a separate limit of liability to be shared by employed, licensed, mid-level ancillary medical personnel. This option will be used when the insured does not have professional entity separate limit of liability coverage and the mid-level ancillary medical personnel do not desire individual separate limits.

Additional Insured Endorsement-Form PSIC-CM-05

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be 15% of the manual corporation/partnership premium.

Temporary Leave of Absence Endorsement-Form PSIC-CM-06

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave, Military Leave or any other reason pre-approved by Professional Solutions Insurance Company – Does not apply to vacations

Extended Reporting Endorsement-Form PSIC-CM-07

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Medical Laboratory Endorsement-Form PSIC-CM-10

This endorsement provides a shared limit of liability with the insured physician or the insured physician's entity for a medical laboratory facility. The premium for the endorsement is based on the following:

a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.

b. as an additional insured at 25% of the mature Class 1 rate, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

Specialty Classification Amendment Endorsement-Form PSIC-CM-11

This endorsement will be attached to the policy if the insured amends their medical specialty during the policy period. This endorsement will extend coverage for claims that are reported under the insured's previous medical specialty. The premium will be adjusted based on the change of the specialty classification.

Professional Entity with Affiliated Physician Separate Limits of Liability Endorsement- Form PSIC-CM-23

This endorsement provides one separate limit of liability applicable only to the professional entity or entities specifically stated in the endorsement. In addition, coverage is provided for any claim against the insured entity or entities for the vicarious liability of the affiliated healthcare provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a 35% additional premium charge for this endorsement.

Active Military Duty Endorsement- Form PSIC-CM-24

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Each Claim and Aggregate Deductible Endorsement- Form PSIC-CM-25

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The credit applies to the undiscounted premium.

Each Claim and Aggregate Deductible – Multiple Insureds Endorsement- Form PSIC-CM-26

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The each claim deductible continues to apply separately to each insured involved in a claim until the annual aggregate deductible stated in this endorsement is reached. The credit for this endorsement applies to the undiscounted premium.

Limited Vicarious Liability Entity Extended Reporting Endorsement- Form PSIC-CM-27

This endorsement provides for unlimited extended reporting of claims made against the insured entity for the acts or omissions of the previously insured physician listed on the endorsement. There is no additional charge for this endorsement.

XIV. Classification Plan – Refer to rate sheet for manual rate information.

ISO Specialty Codes M.D.	ISO Specialty Codes D.O.	Class	Description	FACTOR
80230		1	Aerospace Medicine	0.650
80254		1	Allergy/Immunology	0.650
80256		1	Dermatology - No Surgery	0.650
80240		1	Forensic Medicine	0.650
80248		1	Nutrition	0.650
80233		1	Occupational Medicine	0.650

Specialty Classification Amendment Endorsement-Form PSIC-CM-11

This endorsement will be attached to the policy if the insured amends their medical specialty during the policy period. This endorsement will extend coverage for claims that are reported under the insured's previous medical specialty. The premium will be adjusted based on the change of the specialty classification.

Professional Entity with Affiliated Physician Separate Limits of Liability Endorsement- Form PSIC-CM-23

This endorsement provides one separate limit of liability applicable only to the professional entity or entities specifically stated in the endorsement. In addition, coverage is provided for any claim against the insured entity or entities for the vicarious liability of the affiliated healthcare provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a 35% additional premium charge for this endorsement.

Active Military Duty Endorsement- Form PSIC-CM-24

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Each Claim and Aggregate Deductible Endorsement- Form PSIC-CM-25

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The credit applies to the undiscounted premium.

Each Claim and Aggregate Deductible – Multiple Insureds Endorsement- Form PSIC-CM-26

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The each claim deductible continues to apply separately to each insured involved in a claim until the annual aggregate deductible stated in this endorsement is reached. The credit for this endorsement applies to the undiscounted premium.

Limited Vicarious Liability Entity Extended Reporting Endorsement- Form PSIC-CM-27

This endorsement provides for unlimited extended reporting of claims made against the insured entity for the acts or omissions of the previously insured physician listed on the endorsement. There is no additional charge for this endorsement.

XIV. Classification Plan – Refer to rate sheet for manual rate information.

ISO Specialty Codes M.D.	ISO Specialty Codes D.O.	Class	Description	FACTOR
80230		1	Aerospace Medicine	0.650
80254		1	Allergy/Immunology	0.650
80256		1	Dermatology - No Surgery	0.650
80240		1	Forensic Medicine	0.650
80248		1	Nutrition	0.650
80233		1	Occupational Medicine	0.650

80263	1	Ophthalmology - No Surgery	0.650
80235	1	Physiatry/Physical Medicine	0.650
80231	1	Preventive Medicine - No Surgery	0.650
80251	1	Psychosomatic Medicine	0.650
80236	1	Public Health	0.650
80237	2	Diabetes - No Surgery	0.850
80238	2	Endocrinology - No Surgery	0.850
80243	2	Geriatrics - No Surgery	0.850
80244	2	Gynecology - No Surgery	0.850
80260	2	Nephrology - No Surgery	0.850
80262	2	Nuclear Medicine	0.850
80268	2	Physicians - No Surgery N.O.C.	0.850
80995	2	Podiatry - Soft Tissue	0.850
80249	2	Psychiatry including child - No ECT	0.850
81249	2	Psychiatry, no child, including ECT	0.850
80252	2	Rheumatology - No Surgery	0.850
80151	3	Anesthesiology	1.000
80255	3	Cardiovascular Disease - No Surgery	1.000
80420	3	Family Phys. or Gen. Prac. - No Surgery	1.000
80241	3	Gastroenterology - No Surgery	1.000
80245	3	Hematology - No Surgery	1.000
80246	3	Infectious Diseases - No Surgery	1.000
80257	3	Internal Medicine - No Surgery	1.000
80258	3	Laryngology - No Surgery	1.000
80259	3	Neoplastic Diseases - No Surgery	1.000
80259	3	Oncology - No Surgery	1.000
80264	3	Otology - No Surgery	1.000
80265	3	Otorhinolaryngology - No Surgery	1.000
80196	3	Pain Management	1.000
80266	3	Pathology - No Surgery	1.000
80267	3	Pediatrics - No Surgery	1.000
80269	3	Pulmonary Diseases - No Surgery	1.000
80247	3	Rhinology - No Surgery	1.000
80287	4	Nephrology - Minor Surgery	1.250
80286	4	Oncology - Minor Surgery	1.250
80289	4	Ophthalmology - Minor Surgery	1.250
80114	4	Ophthalmology Surgery	1.250
80298	4	Pulmonary Diseases - Minor Surgery	1.250
80120	4	Urology - Minor Surgery	1.250
80281	5	Cardiovascular Disease - Minor Surgery	1.500
80282	5	Dermatology - Minor Surgery	1.500
80271	5	Diabetes - Minor Surgery	1.500
80272	5	Endocrinology - Minor Surgery	1.500
80421	5	Family Phys. or Gen. Prac.- Minor Surgery	1.500
80274	5	Gastroenterology - Minor Surgery	1.500
80276	5	Geriatrics - Minor Surgery	1.500
80277	5	Gynecology - Minor Surgery	1.500
80278	5	Hematology - Minor Surgery	1.500
80279	5	Infectious Diseases - Minor Surgery	1.500
80284	5	Internal Medicine - Minor Surgery	1.500
80285	5	Laryngology - Minor Surgery	1.500
80261	5	Neurology - No Surgery	1.500
80290	5	Otology - Minor Surgery	1.500

80263	1	Ophthalmology - No Surgery	0.650
80235	1	Physiatry/Physical Medicine	0.650
80231	1	Preventive Medicine - No Surgery	0.650
80251	1	Psychosomatic Medicine	0.650
80236	1	Public Health	0.650
80237	2	Diabetes - No Surgery	0.850
80238	2	Endocrinology - No Surgery	0.850
80243	2	Geriatrics - No Surgery	0.850
80244	2	Gynecology - No Surgery	0.850
80260	2	Nephrology - No Surgery	0.850
80262	2	Nuclear Medicine	0.850
80268	2	Physicians - No Surgery N.O.C.	0.850
80995	2	Podiatry - Soft Tissue	0.850
80249	2	Psychiatry including child - No ECT	0.850
81249	2	Psychiatry, no child, including ECT	0.850
80252	2	Rheumatology - No Surgery	0.850
80151	3	Anesthesiology	1.000
80255	3	Cardiovascular Disease - No Surgery	1.000
80420	3	Family Phys. or Gen. Prac. - No Surgery	1.000
80241	3	Gastroenterology - No Surgery	1.000
80245	3	Hematology - No Surgery	1.000
80246	3	Infectious Diseases - No Surgery	1.000
80257	3	Internal Medicine - No Surgery	1.000
80258	3	Laryngology - No Surgery	1.000
80259	3	Neoplastic Diseases - No Surgery	1.000
80259	3	Oncology - No Surgery	1.000
80264	3	Otology - No Surgery	1.000
80265	3	Otorhinolaryngology - No Surgery	1.000
80196	3	Pain Management	1.000
80266	3	Pathology - No Surgery	1.000
80267	3	Pediatrics - No Surgery	1.000
80269	3	Pulmonary Diseases - No Surgery	1.000
80247	3	Rhinology - No Surgery	1.000
80287	4	Nephrology - Minor Surgery	1.250
80286	4	Oncology - Minor Surgery	1.250
80289	4	Ophthalmology - Minor Surgery	1.250
80114	4	Ophthalmology Surgery	1.250
80298	4	Pulmonary Diseases - Minor Surgery	1.250
80120	4	Urology - Minor Surgery	1.250
80281	5	Cardiovascular Disease - Minor Surgery	1.500
80282	5	Dermatology - Minor Surgery	1.500
80271	5	Diabetes - Minor Surgery	1.500
80272	5	Endocrinology - Minor Surgery	1.500
80421	5	Family Phys. or Gen. Prac.- Minor Surgery	1.500
80274	5	Gastroenterology - Minor Surgery	1.500
80276	5	Geriatrics - Minor Surgery	1.500
80277	5	Gynecology - Minor Surgery	1.500
80278	5	Hematology - Minor Surgery	1.500
80279	5	Infectious Diseases - Minor Surgery	1.500
80284	5	Internal Medicine - Minor Surgery	1.500
80285	5	Laryngology - Minor Surgery	1.500
80261	5	Neurology - No Surgery	1.500
80290	5	Otology - Minor Surgery	1.500

80291	5	Otorhinolaryngology - Minor Surgery	1.500
80293	5	Pediatrics - Minor Surgery	1.500
80294	5	Physicians - Minor Surgery N.O.C.	1.500
89298	5	Pulmonary - Critical Care	1.500
80253	5	Radiology Diagnostic - No Surgery	1.500
80270	5	Rhinology - Minor Surgery	1.500
80145	5	Urological Surgery	1.500
80283	6	Intensive Care Medicine	1.650
80286	6	Neoplastic Diseases - Minor Surgery	1.650
80288	6	Neurology - Minor Surgery	1.650
80292	6	Pathology - Minor Surgery	1.650
80280	6	Radiology Diagnostic - Minor Surgery	1.650
80101	7	Broncho-Esophagology	2.150
80103	7	Endocrinology Surgery	2.150
80104	7	Gastroenterology Surgery	2.150
80105	7	Geriatrics Surgery	2.150
80804	7	Neonatal/Perinatal Medicine	2.150
80108	7	Nephrology Surgery	2.150
80159	7	Otorhinolaryngology - No Plastic Surgery	2.150
~~80280~~	7	Radiology Including Radiation Therapy	2.150
80115	8	Colon and Rectal Surgery	2.500
80106	8	Laryngology Surgery	2.500
80107	8	Neoplastic Surgery	2.500
80164	8	Oncology Surgery	2.500
80158	8	Otology	2.500
80160	8	Rhinology Surgery	2.500
80102	9	Emergency Medicine - No Major Surgery	3.000
80521	9	Gen. Prac. or Fam. Prac. (0-24 deliveries – No High Risk)	3.000
80117	9	General Prac. or Family Prac. Surgery	3.000
80143	9	General Surgery	3.000
80169	10	Hand Surgery	3.350
89154	10	Orthopedic Surgery - No Spine	3.350
80155	10	Otorhinolaryngology w/Plastic Surgery	3.350
80166	11	Abdominal Surgery	3.750
80157	11	Emergency Medicine Surgery	3.750
80167	11	Gynecology Surgery	3.750
80170	11	Head and Neck Surgery	3.750
80141	12	Cardiac Surgery	4.500
80150	12	Cardiovascular Disease Surgery	4.500
80472	12	Dermatology Surgery	4.500
80154	12	Orthopedic Surgery - Including Spine	4.500
80156	12	Plastic N.O.C. Surgery	4.500
80144	12	Thoracic Surgery	4.500
80171	12	Traumatic Surgery	4.500
80146	12	Vascular Surgery	4.500
80153	13	Obstetrics Gynecology Surgery	5.500
80168	13	Obstetrics Surgery	5.500
80152	14	Neurology Surgery	6.750

80291	5	Otorhinolaryngology - Minor Surgery	1.500
80293	5	Pediatrics - Minor Surgery	1.500
80294	5	Physicians - Minor Surgery N.O.C.	1.500
89298	5	Pulmonary - Critical Care	1.500
80253	5	Radiology Diagnostic - No Surgery	1.500
80270	5	Rhinology - Minor Surgery	1.500
80145	5	Urological Surgery	1.500
80283	6	Intensive Care Medicine	1.650
80286	6	Neoplastic Diseases - Minor Surgery	1.650
80288	6	Neurology - Minor Surgery	1.650
80292	6	Pathology - Minor Surgery	1.650
80280	6	Radiology Diagnostic - Minor Surgery	1.650
80101	7	Broncho-Esophagology	2.150
80103	7	Endocrinology Surgery	2.150
80104	7	Gastroenterology Surgery	2.150
80105	7	Geriatrics Surgery	2.150
80804	7	Neonatal/Perinatal Medicine	2.150
80108	7	Nephrology Surgery	2.150
80159	7	Otorhinolaryngology - No Plastic Surgery	2.150
80136	7	Radiology Including Radiation Therapy	2.150
80115	8	Colon and Rectal Surgery	2.500
80106	8	Laryngology Surgery	2.500
80107	8	Neoplastic Surgery	2.500
80164	8	Oncology Surgery	2.500
80158	8	Otology	2.500
80160	8	Rhinology Surgery	2.500
80102	9	Emergency Medicine - No Major Surgery	3.000
80521	9	Gen. Prac. or Fam. Prac. (0-24 deliveries – No High Risk)	3.000
80117	9	General Prac. or Family Prac. Surgery	3.000
80143	9	General Surgery	3.000
80169	10	Hand Surgery	3.350
89154	10	Orthopedic Surgery - No Spine	3.350
80155	10	Otorhinolaryngology w/Plastic Surgery	3.350
80166	11	Abdominal Surgery	3.750
80157	11	Emergency Medicine Surgery	3.750
80167	11	Gynecology Surgery	3.750
80170	11	Head and Neck Surgery	3.750
80141	12	Cardiac Surgery	4.500
80150	12	Cardiovascular Disease Surgery	4.500
80472	12	Dermatology Surgery	4.500
80154	12	Orthopedic Surgery - Including Spine	4.500
80156	12	Plastic N.O.C. Surgery	4.500
80144	12	Thoracic Surgery	4.500
80171	12	Traumatic Surgery	4.500
80146	12	Vascular Surgery	4.500
80153	13	Obstetrics Gynecology Surgery	5.500
80168	13	Obstetrics Surgery	5.500
80152	14	Neurology Surgery	6.750

Mid-Level Ancillary Medical Personnel Rating:

		(Factors based on 80420 unless otherwise noted)	
			Employed Personnel
ISO Specialty	Mid-Level Ancillary	Shared Limit	Separate Limit
Codes	Medical Personnel	Factor	Factor
80807	Physician Assistant	0.090	0.300
80808	Surgical Assistant	0.090	0.300
80709	Nurse Practitioner	0.090	0.300
80806	Psychologist	0.040	0.080
80960	Nurse Anesthetist	0.150	0.560
80970	Heart-Lung Perfusion Technician	0.110	0.400
80972	Operating Room Technician	0.050	0.200
80971	Scrub Nurse	0.050	0.200
80994	Optometrist **(Factors based on 80114)**	0.025	0.050

XV. Professional Entity Coverage

A. Solo Practitioner Corporation:

Coverage for an insured's professional entity may be written with a shared limit of liability at no additional charge as long as the entity does not employ any other licensed health care providers.

B. Shared Limits of Liability:

Coverage for professional entities other than solo practitioners may be written with a shared limit of liability. The charge for shared limits of liability will be 3% of the insured's manual rate.

C. Separate Limits of Liability:

Coverage for professional entities may be written with a separate limit of liability. Multiple entities will share the separate limit of liability.

1. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the manual rate of all insured providers, with the maximum premium limited to a cap of the top highest rated 5 healthcare providers listed on the Declarations Schedule of Insureds when calculating the premium. There will only be a charge for the first entity.
2. There will be an additional 35% premium charge for entities in which not all members, stockholders or employees are insured with Professional Solutions Insurance Company.

D. Mid-Level Ancillary Medical Personnel Coverage:

1. Coverage for licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share the separate limit of liability with the entity stated on the declaration page. The premium charge for sharing the entity's separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.
2. Coverage for at least two licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share collectively in the separate limit of liability. The premium charge for sharing the separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.

Mid-Level Ancillary Medical Personnel Rating:

		(Factors based on 80420 unless otherwise noted)	
			Employed Personnel
ISO Specialty	Mid-Level Ancillary	Shared Limit	Separate Limit
Codes	Medical Personnel	Factor	Factor
80807	Physician Assistant	0.090	0.300
80808	Surgical Assistant	0.090	0.300
80709	Nurse Practitioner	0.090	0.300
80806	Psychologist	0.040	0.080
80960	Nurse Anesthetist	0.150	0.560
80970	Heart-Lung Perfusion Technician	0.110	0.400
80972	Operating Room Technician	0.050	0.200
80971	Scrub Nurse	0.050	0.200
80994	Optometrist **(Factors based on 80114)**	0.025	0.050

XV. Professional Entity Coverage

A. Solo Practitioner Corporation:

Coverage for an insured's professional entity may be written with a shared limit of liability at no additional charge as long as the entity does not employ any other licensed health care providers.

B. Shared Limits of Liability:

Coverage for professional entities other than solo practitioners may be written with a shared limit of liability. The charge for shared limits of liability will be 3% of the insured's manual rate.

C. Separate Limits of Liability:

Coverage for professional entities may be written with a separate limit of liability. Multiple entities will share the separate limit of liability.

1. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the manual rate of all insured providers, with the maximum premium limited to a cap of the top highest rated 5 healthcare providers listed on the Declarations Schedule of Insureds when calculating the premium. There will only be a charge for the first entity.
2. There will be an additional 35% premium charge for entities in which not all members, stockholders or employees are insured with Professional Solutions Insurance Company.

D. Mid-Level Ancillary Medical Personnel Coverage:

1. Coverage for licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share the separate limit of liability with the entity stated on the declaration page. The premium charge for sharing the entity's separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.

2. Coverage for at least two licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share collectively in the separate limit of liability. The premium charge for sharing the separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.

XVI. Mid-Level Ancillary Medical Personnel Coverage – Individual Separate Limits

Licensed, mid-level ancillary medical personnel may be individually covered by the Company by payment of an additional premium. Coverage is available only on a separate individual limits basis for employees of physicians insured by PSIC. The premium charge for this coverage will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate. If higher limits of liability are requested, the appropriate increase limit factor will be applied.

XVII. Rates

Physicians and Surgeons Mature Claims Made Rate (for Class 3 provider @ 100/300 limits)

Illinois Territory 01 - **(Cook, Madison and St. Clair counties)**	~~**$9,700.00**~~
Illinois Territory 02 - **(DuPage, Kane, Lake, McHenry and Will counties)**	~~**$7,182.00**~~
Illinois Territory 03 - **(Champaign, Macon, Jackson, Vermillion, Sangamon, DeKalb, Kankakee, LaSalle, Ogle, Randolph, Winnebego and Jackson counties)**	~~**$6,337.00**~~
Illinois Territory 04 - **(Remainder of State)**	~~**$4,646.00**~~

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
$100,000/$300,000	1.000
$200,000/$600,000	1.375
$250,000/$750,000	1.500
$500,000/$1,000,000	1.875
$1,000,000/$3,000,000	2.500
$2,000,000/$4,000,000	3.125

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

XVI. Mid-Level Ancillary Medical Personnel Coverage – Individual Separate Limits

Licensed, mid-level ancillary medical personnel may be individually covered by the Company by payment of an additional premium. Coverage is available only on a separate individual limits basis for employees of physicians insured by PSIC. The premium charge for this coverage will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate. If higher limits of liability are requested, the appropriate increase limit factor will be applied.

XVII. Rates

Physicians and Surgeons Mature Claims Made Rate (for Class 3 provider @ 100/300 limits)

Illinois Territory 01 - **(Cook, Madison and St. Clair counties)**	**$10,282.00**
Illinois Territory 02 - **(DuPage, Kane, Lake, McHenry and Will counties)**	**$7,613.00**
Illinois Territory 03 - **(Champaign, Macon, Jackson, Vermillion, Sangamon, DeKalb, Kankakee, LaSalle, Ogle, Randolph, Winnebego and Jackson counties)**	**$6,717.00**
Illinois Territory 04 - **(Remainder of State)**	**$4,925.00**

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
$100,000/$300,000	1.000
$200,000/$600,000	1.375
$250,000/$750,000	1.500
$500,000/$1,000,000	1.875
$1,000,000/$3,000,000	2.500
$2,000,000/$4,000,000	3.125

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.

ontact Person:
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l ois Division of Insurance
Review Requirements Checklist

0 West Washington Street
Springfield, IL 62767-0001

Effective as of 8/25/06

Line(s) of Business	Code(s)	
___MEDICAL MALPRACTICE	11.0000	***This checklist is for rate/rule
X Claims Made	11.1000	filings only.
___Occurrence	11.2000	See separate form checklist.

ne(s) of Insurance	Code(s)	Line(s) of Insurance	Code(s)	Line(s) of Insurance	Code(s)
_Acupuncture	11.0001	___Hospitals	11.0009	___Optometry	11.0019
_Ambulance Services	11.0002	___Professional Nurses	11.0032	___Osteopathy	11.0020
_Anesthetist	11.0031	___Nurse – Anesthetists	11.0010	___Pharmacy	11.0021
_Assisted Living Facility	11.0033	___Nurse – Lic. Practical	11.0011	___Physical Therapy	11.0022
_Chiropractic	11.0003	___Nurse – Midwife	11.0012	X Physicians & Surgeons	11.0023
_Community Health Center	11.0004	___Nurse – Practitioners	11.0013	___Physicians Assistants	11.0024
_Dental Hygienists	11.0005	___Nurse – Private Duty	11.0014	___Podiatry	11.0025
_Dentists	11.0030	___Nurse – Registered	11.0015	___Psychiatry	11.0026
_Dentists – General Practice	11.0006	___Nursing Homes	11.0016	___Psychology	11.0027
_Dentists – Oral Surgeon	11.0007	___Occupational Therapy	11.0017	___Speech Pathology	11.0028
_Home Care Service Agencies	11.0008	___Ophthalmic Dispensing	11.0018	___Other	11.0029

linois Insurance ode Link	Illinois Compiled Statutes Online	
linois dministrative ode Link	Administrative Regulations Online	
roduct Coding latrix Link	Product Coding Matrix	
AIC Uniform ransmittal Form	50 IL Adm. Code 929 NAIC Uniform Transmittal Form	If insurers wish to use the NAIC Uniform Transmittal form in lieu of a cover letter/ explanatory memorandum, the Division will accept such form, as long as all information required in the "Cover Letter & Explanatory Memorandum" section below are properly included.
AIC Self- ertification Pilot rogram	Newsletter Article regarding Division's Participation Self-Certification form	If an authorized company officer completes the Self-Certification form, and submit such form as the 1st page of the filing, the Division will expedite review of the filing ahead of all other filings received to date. The Division will track company compliance with the laws, regulations, bulletins, and this checklist and report such information to the NAIC.
ocation of tandard within iling Column	See checklist format below.	To expedite review of your filing, use this column to indicate location of the standard within the filing (e.g. page #, section title, etc.)
escription of eview Standards equirements olumn	See checklist format below.	These brief summaries do not include all requirements of all laws, regulations, bulletins, or requirements, so review actual law, regulation, bulletin, or requiremen for details to ensure that forms are fully compliant before filing with the Division of Insurance.

ILING EQUIREMENTS OR FORM FILINGS	REFERENCE	DESCRIPTION OF REVIEW STANDARD REQUIREMENT	LOCATION OF STANDARD WITHIN FILING
ee separate form filing hecklist.		To assist insurers in submitting compliant medical liability rate/rule filings as a result of newly-passed PA94-677 (SB475), the Division has created this separate, comprehensive rate/rule filing checklist for medical liability filings. Please see the separate form filing checklist for requirements related to medical liability forms.	
ENERAL FILING EQUIREMENTS OR ALL RATE/ ULE FILINGS			
INE OF AUTHORITY			
lust have proper Class nd Clause authority to onduct this line of usiness in Illinois.	215 ILCS 5/4 List of Classes/ Clauses	To write Medical Liability insurance in Illinois, companies must be licensed to write: 1. Class 2, Clause (c)	OK
ATES AND RULES EQUIRED TO BE ILED			
ates/Rules Must be iled Separately from orms			
surers shall make eparate filings for rate/ ules and for forms/ ndorsements, etc.		The laws and regulations for medical liability forms/ endorsements and the laws for medical liability rates/ rules are different and each must be reviewed according to its own set of laws/regulations/procedures. Therefore, insurers are required to file forms and rates/rules separately. For requirements regarding form filings, see separate form filing checklist.	OK
ew Insurers			
ew insurers must file their ates, rules, plans for athering statistics, etc. oon commencement of usiness.	215 ILCS 5/155.18 50 IL Adm. Code 929	"New Insures" are insurers who are: • New to Illinois. • New writers of medical liability insurance in Illinois. • Writing a new Line of Insurance listed on Page 1 of this checklist, New insurers must file the following: a) Medical liability insurance rate manual, including all rates. b) Rules, including underwriting rule manuals which contain rules for applying rates or rating plans, c) Classifications and other such schedules used in writing medical liability insurance. d) Statement regarding whether the insurer:	N/A

		• Has its own plan for the gathe ' of medical liability statistics; or • Reports its medical liability statistics to a statistical agent (and if so, which agent). The Director, at any time, may request a copy of the insurer's statistical plan or request the insurer to provide written verification of membership and reporting status from the insurer's reported statistical agency. Insurers are instructed to review all requirements in this checklist, including the requirements for applicable actuarial documentation, as well as all medical liability laws and regulations, to ensure that the filing contains all essential elements before submitting the filing to the Division.	N/A
mendments to Initial ate/Rule Filings			
fter a new insurer has ed the rates/rules/ formation described ɔove, insurers must file ıtes/rules, or advise of ıanges to statistical ans, as often as they are ıended.	215 ILCS 5/155.18 50 IL Adm. Code 929	After a new insurer has filed the rates/rules/information described above, insurers must file rates/rules/rating schedules (as described above for new business) as often as such filings are changed or amended, or when any new rates or rules are added. Any change in premium to the company's insureds as a result of a change in the company's base rates or a change in its increased limits factors shall constitute a change in rates and shall require a filing with the Director. Insurers shall also advise the Director if its plans for the gathering of statistics has changed, or if the insurer has changed statistical agents. The Director, at any time, may request a copy of the insurer's statistical plan or request the insurer to provide written verification of membership and reporting status from the insurer's reported statistical agency. Insurers are instructed to review all requirements in this checklist, including the requirements for applicable actuarial documentation, as well as all medical liability laws and regulations, to ensure that the filing contains all essential elements before submitting the filing to the Division.	OK
FFECTIVE DATES OF ATE/RULE FILINGS			
inois is "file and use" for ıedical liability rates and ıles.	215 ILCS 5/155.18 50 IL Adm. Code 929	A rate/rating plan/rule filing shall go into effect no earlier than the date the filing is received by the Division of Insurance, Property & Casualty Compliance Section, except as otherwise provided in Section 155.18.	OK
DOPTIONS OF DVISORY RGANIZATION FILINGS			
ısurer must file all rates ıd rules on its own behalf.	50 IL Adm. Code 929	Although Rule 929 allows for insurers to adopt advisory organization rule filings, advisory organizations no longer file rules in Illinois.	N/A
OPIES, RETURN NVELOPES, ETC.			

equirement for duplicate opies and return envelope ith adequate postage.	50 IL Adm. Coc 29	Insurers that desire a stamped return opy of the filing or submission letter must submit a duplicate copy of the filing/letter, along with a return envelope large enough and containing enough postage to accommodate the return filing.	OK
OVER LETTER & XPLANATORY IEMORANDUM			
wo copies of a ubmission letter are equired, and the ubmission letter must ontain the information pecified. Me too" filings are not lowed. se of NAIC Uniform ransmittal form is ccceptable as long as all equired information is cluded.	215 ILCS 5/155.18 50 IL Adm. Code 929 Company Bulletin 88-53 Actuarial Certification Form NAIC Uniform Transmittal Form	All filings must be accompanied by a submission letter which includes all of the following information: 1) Exact name of the company making the filing. 2) Federal Employer Identification Number (FEIN) of the company making the filing. 3) Unique filing identification number – may be alpha, numeric, or both. Each filing number must be unique within a company and may not be repeated on subsequent filings. If filing subsequent revisions to a pending filing, use the same filing number as the pending filing or the revision(s) will be considered a new filing. 4) Identification of the classes of medical liability insurance to which the filing applies (for identifying classes, refer to Lines of Insurance shown on Page 1 of this checklist, in compliance with the NAIC Product Coding Matrix). 5) Notification of whether the filing is new or supersedes a present filing. If filing supersedes a present filing, insurer must identify all changes in superseding filings, and all superseded filings, including the following information: • Copy of the complete rate/rule manual section(s) being changed by the filing with all changes clearly highlighted or otherwise identified. • Written statement that all changes made to the superseded filing have been disclosed. • List of all pages that are being completely superseded or replaced with new pages. • List of pages that are being withdrawn and not being replaced. • List of new pages that are being added to the superseded filing. • Copies of all manual pages that are affected by the new filing, including but not limited to subsequent pages that are amended solely by receiving new page numbers. 6) Effective date of use. 7) Actuarial certification (see Actuarial Certification section below). Insurers may use their own form or may use the sample form developed by the Division. 8) Statement that the insurer, in offering, administering, or applying the filed rate/rule manual and/or any amended provisions, does not unfairly discriminate.	OK

		Companies under the same ownership or general management are required to make separate, individual company filings. Company Group ("Me too") filings are unacceptable. If insurers wish to use the NAIC Uniform Transmittal form in lieu of a cover letter/explanatory memorandum, the Division will accept such form, as long as all information required in this section is properly included.	OK
ORM RF-3 ummary Sheet			
or any rate change, uplicate copies of Form F-3 must be filed, no later ian the effective date.	50 IL Adm. Code 929 Form RF-3 Summary Sheet	For any rate level change, insurers must file two copies of Form RF-3 (Summary Sheet) which provides information on changes in rate level based on the company's premium volume, rating system, and distribution of business with respect to the classes of medical liability insurance to which the rate revision applies. Such forms must be received by the Division's Property & Casualty Compliance Section no later than the stated effective date of use. Insurers must report the rate change level and premium volume amounts on the "Other" Line and insert the words "Medical Liability" on the "Other" descriptive line. Do not list the information on the "Other Liability" line. If the Medical Liability premium is combined with any other Lines of Business (e.g. CGL, commercial property, etc.), the insurer must report the effect of rate changes to each line separately on the RF-3, indicating the premium written and percent of rate change for each line of business. The RF-3 form must indicate whether the information is "exact" or "estimated."	OK
AYMENT PLANS			
uarterly premium ayment installment plan equired as prescribed by ie Director.	215 ILCS 5/155.18	A company writing medical liability insurance in Illinois shall offer to each of its medical liability insureds the option to make premium payments in quarterly installments as prescribed by and filed with the Director. Such option must be offered in the initial offer of the policy or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer need not offer the option, but if the insured requests it, must make it available. Such plans are subject to the following minimum requirements: • May not require more than 40% of the estimated total premium to be paid as the initial payment; • Must spread the remaining premium equally among the 2nd, 3rd, and 4th installments, with the maximum set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively; • May not apply interest charges; • May include an installment charge or fee of no	Section VII page 3

		more than the lesser of 1% of the t l premium or $25; • Must spread any additional premium resulting from changes to the policy equally over the remaining installments, if any. If there are no remaining installments, the additional premium may be billed immediately as a separate transaction; and • May, but is not required to offer payment plan for extensions of a reporting period, or to insureds whose annual premiums are less than $500. However, if offered to either, the plan must be made available to all within that group.	Section VII page 3
EDUCTIBLES			
eductible plans should be ed if offered.	215 ILCS 5/155.18	A company writing medical liability insurance in Illinois is encouraged, but not required, to offer the opportunity for participation in a plan offering deductibles to its medical liability insureds. Any such plan shall be contained in a filed rate/rule manual section entitled "Deductibles Offered" or substantially similar title. If an insurer uses a substantially similar title, the Rate/Rule Submission Letter or NAIC Uniform Transmittal form must indicate the name of the section that applies.	Section IX pages 5-6
ISCOUNTS			
remium discount for risk ıanagement activities ıould be filed if offered.	215 ILCS 5/155.18	A company writing medical liability insurance in Illinois is encouraged, but not required, to offer their medical liability insureds a plan providing premium discounts for participation in risk management activities. Any such plan shall be contained in a filed rate/rule manual section entitled "Risk Management Activities Discounts" or substantially similar title. If an insurer uses a substantially similar title, the Rate/Rule Submission Letter or NAIC Uniform Transmittal form must indicate the name of the section that applies.	Section X page 6
LAIMS MADE EQUIREMENTS			
xtended reporting period ail coverage) :quirements.	215 ILCS 5/143(2) Company Bulletin 88-50	When issuing claims-made medical liability insurance policies, insurers must include the following specific information in their rate/rule manuals: • Offer of an extended reporting period (tail coverage) of at least 12 months. The rate/rule manual must specify whether the extended reporting period is unlimited or indicate its term (i.e. number of years).*** • Cost of the extended reporting period, which must be priced as a factor of one of the following:*** o the last 12 months' premium. o the premium in effect at policy issuance. o the expiring annual premium. • List of any credits, discounts, etc. that will be added or removed when determining the final extended reporting period premium. • Insurer will inform the insured of the extended reporting period premium at the time the last policy is purchased. The insurer may not wait until the insured	Section IX page 4

		requests to purchase the extended reporting period coverage to tell the insured what the premium will be or how the premium would be calculated. • Insurer will offer the extended reporting period when the policy is terminated for any reason, including non-payment of premium, and whether the policy is terminated at the company's or insured's request. • Insurer will allow the insured 30 days after the policy is terminated to purchase the extended reporting period coverage.*** • Insurer will trigger the claims made coverage when notice of claim is received and recorded by the insured or company, whichever comes first. ***If the medical liability coverage is combined with other professional or general liability coverages, the medical liability insurer must meet all of the above requirements, except those indicated with ***, in which case, the insurer must: • Offer free 5-year extended reporting period (tail coverage) or • Offer an unlimited extended reporting period with the limits reinstated (100% of aggregate expiring limits for the duration) • Cap the premium at 200% of the annual premium of the expiring policy; and • Give the insured a free-60 day period after the end of the policy to request the coverage.	Section IX page 4
ROUP MEDICAL IABILITY			
roup medical liability surance is not specifically lowed under the Illinois ısurance Code.	50 IL Adm. Code 906	Part 906 of the Illinois Administrative Code prohibits writing of group casualty (liability) insurance unless specifically authorized by statute. The Illinois Insurance Code does not specifically authorize the writing of group medical liability insurance.	N/A
ANCELLATION & ONRENEWAL ROVISION EQUIREMENTS			
rate/rule manuals contain nguage pertaining to ancellation or onrenewal, must comply ith all cancellation/ onrenewal laws.	See Medical Liability Forms Checklist for Specific Information about Illinois Cancellation & Nonrenewal Laws and Regulations,	If a rate or rule manual contains language pertaining to cancellation or nonrenewal of any medical liability insurance coverage, such provisions must comply with all cancellation and nonrenewal provisions of the Illinois Insurance Code, including but not limited to the following: 143.10, 143.16, 143.16a, 143.17a. See Medical Liability Forms Checklist for Specific Information about Illinois Cancellation & Nonrenewal Laws and Regulations,	Section VI page 3
CTUARIAL REVIEW EQUIREMENTS			

ates shall not be xcessive, inadequate, or nfairly discriminatory.	215 ILCS 5/155	In the making or use of rates pertainir) all classes of medical liability insurance, rates shall not be excessive, or inadequate, nor shall they be unfairly discriminatory. Rate and rule manual provisions should be defined and explained in a manner that allows the Division to ascertain whether the provision could be applied in an unfairly discriminatory manner. For example, if a rate/rule manual contains ranges of premiums or discounts, the provision must specify the criteria to determine the specific premium/discount an insured or applicant would receive. The Director may, by order, adjust a rate or take any other appropriate action at the conclusion of a public hearing.	OK
RICING			
surers shall consider ertain information when eveloping medical liability ites.	215 ILCS 5/155.18	Consideration shall be given, to the extent applicable, to past and prospective loss experience within and outside this State, to a reasonable margin for underwriting profit and contingencies, to past and prospective expenses both countrywide and those especially applicable to Illinois, and to all other factors, including judgment factors, deemed relevant within and outside Illinois. Consideration may also be given in the making and use of rates to dividends, savings or unabsorbed premium deposits allowed or returned by companies to their policyholders, members or subscribers. The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof.	See Actuarial Analysis
linimum Premium ules			
surers may group or assify risks for stablishing rates and inimum premiums.	215 ILCS 5/155.18	Risks may be grouped by classifications for the establishment of rates and minimum premiums.	N/A
A" RATED RISKS			
dividual Risk Rating			

isks may be rated on an dividual basis as long as l provisions required in ection 155.18 are met.	215 ILCS 5/155	Classification rates may be modified t[illegible]oduce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that have a probable effect upon losses or expenses. Such classifications or modifications of classifications of risks may be established based upon size, expense, management, individual experience, location or dispersion of hazard, or any other reasonable considerations, and shall apply to all risks under the same or substantially the same circumstances or conditions. The rate for an established classification should be related generally to the anticipated loss and expense factors or the class.	N/A
ISK CLASSIFICATION			
isks may be grouped by assifications.	215 ILCS 5/155.18	Risks may be grouped by classifications for the establishment of rates and minimum premiums.	N/A
ating decisions based olely on domestic olence.	215 ILCS 5/155.22b	No insurer may that issues a property and casualty policy may use the fact that an applicant or insured incurred bodily injury as a result of a battery committed against him/her by a spouse or person in the same household as a sole reason for a rating decision.	N/A
nfair methods of ompetition or unfair or eceptive acts or practices efined.	215 ILCS 5/424(3)	It is an unfair method of competition or unfair and deceptive act or practice if a company makes or permits any unfair discrimination between individuals or risks of the same class or of essentially the same hazard and expense element because of the race, color, religion, or national origin of such insurance risks or applicants.	N/A
rocedure as to unfair ıethods of competition or ıfair or deceptive acts or ractices not defined.	215 ILCS 5/429	Outlines the procedures the Director follows when he has reason to believe that a company is engaging in unfair methods of competition or unfair or deceptive acts or practices.	N/A
erritorial Definitions			
ate/rule manuals must ontain correct and dequate definitions of inois territories.	215 ILCS 5/155.18	When an insurer's rate/rule program includes differing territories within the State of Illinois, rate/rule manuals must contain correct and adequate definitions of those territories, and that all references to the territories or definitions are accurate, so the Division does not need to request additional information.	Section XVII page 14
CTUARIAL UPPORT NFORMATION EQUIRED			
CTUARIAL ERTIFICATION			
ctuarial certification must ccompany all rate filings nd all rule filings that ffect rates.	215 ILCS 5/155.18 50 IL Adm. Code 929 Actuarial Certification Form	Every rate and/or rating rule filing must include a certification by an officer of the company and a qualified actuary that the company's rates and/or rules are based on sound actuarial principles and are not inconsistent with the company's experience. Insurers may use their own form or may use the sample form created by the Division.	See Certification
CTUARIAL OR TATISTICAL NFORMATION			

irector may request ctuarial and statistical formation.	215 ILCS 5/155 50 IL Adm. Code 929	The Director may require the filing of s stical data and any other pertinent information necessa y to determine the manner of promulgation and the acceptability or unacceptability of a filing for rules, minimum premiums, rates, forms or any combination thereof. If the Director requests information or statistical data to determine the manner the insurer used to set the filed rates and/or to determine the reasonableness of those rates, as well as the manner of promulgation and the acceptability or unacceptability of a filing for rules, minimum premiums, or any combination thereof, the insurer shall provide such data or information within 14 calendar days of the Director's request.	See Actuarial Analysis
xplanatory lemorandum			
surers shall include ctuarial explanatory lemorandum with any rate ing, as well as any rule ing that affects the timate premium.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include actuarial explanatory memorandum with any rate filing, as well as any rule filing that affects the ultimate premium. The explanatory memorandum shall contain, at minimum, the following information: • Explanation of ratemaking methodologies. • Explanations of specific changes included in the filing. • Narrative that will assist in understanding the filing.	See Explanatory Memo
ummary of Effects xhibit			
surers shall include an xhibit illustrating the effect f each change and alculation indicating how ie final effect was derived.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit illustrating the effect of each individual change being made in the filing (e.g. territorial base rates, classification factor changes, number of exposures affected by each change being made, etc.), and include a supporting calculation indicating how the final effect was derived.	Please see exhibit
ctuarial Indication			
surers shall include ctuarial support justifying ie overall changes being ade.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include actuarial support justifying the overall changes being made, including but not limited to: • Pure premiums (if used). • Earned premiums. • Incurred losses. • Loss development factors. • Trend factors. • On-Level factors. • Permissible loss ratios, etc.	See Actuarial Analysis
oss Development actors and Analysis			
surers shall include ipport for loss evelopment factors and nalysis.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include actuarial support for loss development factors and analysis, including but not limited to loss triangles and selected factors, as well as support for the selected factors.	N/A
ltimate Loss Selections			
surers shall include ipport for ultimate loss elections.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for ultimate loss selections, including an explanation of selected losses if results from various methods differ significantly.	See Actuarial Analysis
rend Factors and nalysis			

surers shall include pport for trend factors nd analysis.	215 ILCS 5/155 50 IL Adm. Code 929	Insurers shall include support for tren tors and analysis, including loss and premium trend exhibits demonstrating the basis for the selections used.	N/A
n-Level Factors and nalysis			
surers shall include pport for on-level factors nd analysis.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for on-level factors and analysis, including exhibits providing on-level factors and past rate changes included in calculations.	N/A
oss Adjustment xpenses			
surers shall include pport for loss adjustment xpenses.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for loss adjustment expenses, including exhibits providing documentation to support factors used for ALAE and ULAE. If ALAE is included in loss development analysis, no additional ALAE exhibit is required.	See Actuarial Analysis
xpense Exhibit			
surers shall include an xpense exhibit. surers may use expense ovisions that differ from ose of other companies groups of companies.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit indicating all expenses used in the calculation of the permissible loss ratio, including explanations and support for selections. The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof.	N/A
vestment Income alculation			
surers shall include an xhibit for investment come calculation.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit demonstrating the calculation for the investment income factor used in the indication.	N/A
rofit and Contingencies alculation			
surers shall include an xhibit for profit and ontingencies load.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit illustrating the derivation of any profit and contingencies load.	N/A
redibility Standard Used			
surers shall include the umber of claims being sed to calculate the edibility factor.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers should include the number of claims being used to calculate the credibility factor. If another method of calculating credibility is utilized, insurers should include a description of the method used.	N/A
ther Actuarial formation Required			
surers must include the formation described in iis section.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall also include the following information: • All actuarial support/justification for all rates being changed, including but not limited to changes in: ○ Base rates; ○ Territory definitions; ○ Territory factor changes; ○ Classification factor changes; ○ Classification definition changes; ○ Changes to schedule credits/debits, etc. • Exhibits containing current and proposed rates/	See Actuarial Anaylsis

		factors for all rates and classificatic factors, etc. being changed. • Any exhibits necessary to support the filing that are not mentioned elsewhere in this checklist.	
chedule Rating			
ısurers must include the escribed information escribed at right.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers should include appropriate actuarial justification when filing schedule rating plans and/or changes to schedule rating plans.	N/A

PROFESSIONAL SOLUTIONS INSURANCE COMPANY

STATE OF ILLINOIS

PHYSICIANS AND SURGEONS

PROFESSIONAL LIABILITY MANUAL

CLAIMS MADE COVERAGE

I. APPLICATION OF THIS MANUAL-ELIGIBILITY

This claims made program covers Physicians and Surgeons engaged in the rendering of professional services specific to their disciplines. Refer to the classification plan beginning on page 10 for a description of each risk/rating category for physicians, surgeons.

Employees of health care professionals are also included as insureds for their acts while performing duties within the scope of their discipline while under the direction and supervision of the insured named in the coverage summary. Refer to pages 12 and 13 for a listing of the mid-level ancillary medical personnel who may be covered by either a shared or separate limit of liability.

This program also provides coverage for both medical clinics and individual practicing physicians for the liability exposure of a partnership, corporation or professional association on either a separate or shared limit basis. Refer to the professional entity coverage section on page 12 for a description of the partnership, corporation or professional association rating factors.

II. PREMIUM DETERMINATION

1. Determine the manual rate for the appropriate policy type and territory.
2. Refer to Classification Listing and apply the factor for the most appropriate class specialty being rated.
3. Apply the appropriate increase limit factor.
4. Apply the appropriate claims made step factor to reach the undiscounted premium.
5. Apply the deductible credit, if applicable.
6. Apply credit, if necessary, for new practitioner or part-time status.
7. Apply any applicable credits for scheduled or experience rating.
8. Apply rounding.
9. Example Premium Calculation:

   Assume the full time undiscounted premium is $1,000 and no new practitioner or part-time status applies. Additional credits or debits will be applied in consecutive order.

   $1,000 x .95 = $950.00 (Schedule rating credit of 5%)
   $950.00 x .95 = $902.50 (Size of risk credit of 5%)
   $902.50 = $903.00 (Apply rounding)

III. POLICY PERIOD

The policy period shall be for a one-year term, unless in the middle of a claims made year. In this instance, a short-term policy may be issued to expire on the member's original expiration date. The policy period next following will be for one year.

IV. WHOLE DOLLAR PREMIUM RULE

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. If the premium is .50 or greater, round to next higher whole dollar. If the premium is .49 or less, round down. In the event of cancellation, the return premium shall be rounded to the nearest whole dollar. Rounding is the last step of the premium calculation.

Example: $1,234.30 is rounded to $1,234.
$1,234.60 is rounded to $1,235.

V. PRACTICE LOCATION

Practitioners who conduct a percentage of their practice located in another state or territory will be assessed additional premium, based upon the percentage of time spent in the other state or territory.

A. For insureds who practice in multiple states, the location of their primary practice will determine the manual rate, with a premium debit of 25%, to be applied, based on their practice in the secondary state. The 25% debit will not be applied if the primary state's manual rate is higher.

B. If more than one location of practice exists within the same state, the rate from the highest territory will be applied.

C. The insured must be licensed in all states where practicing.

VI. POLICY CANCELLATION

A. Cancellation By the Insured

The insured may cancel the policy by mailing or delivering notice to the Company stating when such cancellation shall be effective.

This policy will remain in full force and effect until its regular anniversary date unless the policy is cancelled sooner by the Company in accordance with the laws of the State of Illinois.

If the insured cancels the policy, earned premium shall be computed in accordance with the standard short rate tables and procedure. If the Company cancels the policy, earned premium shall be computed pro rata.

B. Cancellation/Non-Renewal By the Company

The Company may cancel or non-renew the policy in accordance with the insurance laws of the State of Illinois. Standard cancellation notice will be sent 60 days prior to cancellation, except that in the event of non-payment of premium, then not less than ten (10) days prior notice will be given.

VII. PREMIUM PAYMENT OPTIONS

1. Annual
2. Semi-Annual 50% prepayment required
3. Quarterly 25% prepayment required as the initial down payment with remaining payments of 25% each due at 3, 6 & 9 months after policy inception
4. Other payment options available upon request for large group accounts.

There is no installment fee charge or interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction. If the policy is issued with a final fully discounted premium less than $500, the policy must be billed on an annual basis.

VIII. RENEWALS

The policy will be renewed upon receipt of the required premium on or before the date of each successive policy period. The renewal premium shall be based on rates in effect on the renewal or anniversary date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy term shall be computed pro rata of the annual premium.

IX. SPECIAL PROVISIONS

A. Retroactive Coverage

This extension covers incidents which occurred subsequent to the prior carrier's retroactive date, but which are neither known nor reported as of the inception date of the replacement coverage written by Professional

Solutions Insurance Company. The insured may apply for the Retroactive Date (shown on the Coverage Summary) that is equal to the retroactive date shown on the previous policy.

Premium for this extension is derived by rating the policy based upon the claims made step factor determined by using the previous carrier's retroactive date.

B. Basic Reporting Extension

This provision applies when coverage under the policy ends, either by action of the insured or the Company through cancellation, termination or non-renewal.

Under the circumstances stated above, the Company will provide a thirty (30) day Basic Reporting Extension which allows claims to be reported during this time that result from incidents that happened during the time the coverage was in force. The thirty (30) day Basic Reporting Extension does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Within thirty (30) days of when the policy coverage terminates, the Company must advise the insured of the availability of Extended Reporting Coverage, the premium cost, and the importance of buying this additional coverage extension, commonly called "Tail Coverage".

The insured will have the greater of sixty (60) days from the date the coverage is terminated, or thirty (30) days from the date of notice, to accept the Extended Reporting Coverage in writing.

C. Extended Reporting Coverage, also called Tail Coverage

Extended Reporting Coverage will be provided for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. Extended Reporting Coverage can be applied to individual or entity policies.

The following factors will be applied to the undiscounted mature claims made premium in effect at the time the policy is terminated to calculate the extended reporting endorsement premium:

# of Years Completed in Claims Made Program	Tail Factor
1	0.92
2	1.43
3	1.70
4+	1.87

Professional Solutions Insurance Company cannot cancel the Extended Reporting Coverage except for non-payment of the additional premium. Premium is due in full at the time of purchase; no payment plans will be offered.

The Company provides Extended Reporting Coverage automatically, at no additional charge, in the event that the insured dies or becomes permanently disabled. The Company also provides Extended Reporting Coverage automatically, at no additional charge, in the event the insured retires at or after age fifty-five (55) and after having been continuously insured with Professional Solutions Insurance Company under a claims made policy for five (5) years.

D. Change in Rating Classification

In the event of a change in exposure or medical specialty of the practitioner, a premium charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

E. New Practitioner

A new practitioner is defined as a person who has completed his or her training, whose only contact with patients has been in the course of his or her training, and who has not been previously insured by Professional Solutions Insurance Company.

1st year	50% credit
2nd year	30% credit
3rd year	10% credit

Those who receive a new practitioner credit will not be eligible to receive any further credits, except for Size of Risk.

F. Part-Time Practitioner

A practitioner must practice 20 hours or less per week to become eligible for this credit. The insured must complete an application for part-time credit. If the application is approved, credits will be given by year according to the following schedule:

1st year	20% credit
2nd year	30% credit
3rd year	40% credit
4th year	50% credit

Those who receive a part-time practitioner credit will not be eligible to receive any further credits, except for Experience Rating and the Size of Risk Credit.

G. Locum Tenens

Locum Tenens working in the place of an insured shall be provided coverage at no additional premium, for a period not to exceed forty-five (45) days per policy term. A completed application must be submitted to the Company for prior underwriting approval.

H. Moonlighting Resident

Following graduation from medical school, a physician may elect to enter a residency program. Third and fourth year medical residents will be charged at the reduced rate of 50% applied to the undiscounted manual rate. Those who qualify for this rating will not be eligible for any additional scheduled or experience rating.

I. Deductible

The insured may elect to pay a deductible towards the amount paid to claimants as damages. The deductible will be collected after the payment of the claim. The following credits apply to the undiscounted premium:

	Deductible Factors (Loss Only)			
Policy Limits	**$5,000/$15,000**	**$10,000/$30,000**	**$15,000/$45,000**	**$20,000/$60,000**
$100,000/$300,000	0.956	0.933	0.911	0.878
$200,000/$600,000	0.967	0.950	0.933	0.908
$250,000/$750,000	0.969	0.954	0.938	0.915
$500,000/$1,000,000	0.975	0.963	0.950	0.931
$1,000,000/$3,000,000	0.980	0.970	0.960	0.945
$2,000,000/$4,000,000	0.984	0.976	0.967	0.955

Policy Limits	Deductible Factors (Loss Only) $25,000/$75,000	$50,000/$150,000	$100,000/$300,000	$200,000/$600,000
$100,000/$300,000	0.844	0.789	N/A	N/A
$200,000/$600,000	0.883	0.841	0.741	N/A
$250,000/$750,000	0.892	0.854	0.761	0.615
$500,000/$1,000,000	0.913	0.881	0.806	0.688
$1,000,000/$3,000,000	0.930	0.905	0.845	0.750
$2,000,000/$4,000,000	0.943	0.922	0.873	0.796

Policy Limits	Deductible Factors (Loss Only) $250,000/$750,000	$500,000/$1,500,000
$100,000/$300,000	N/A	N/A
$200,000/$600,000	N/A	N/A
$250,000/$750,000	N/A	N/A
$500,000/$1,000,000	0.625	N/A
$1,000,000/$3,000,000	0.700	0.650
$2,000,000/$4,000,000	0.755	0.714

X. SCHEDULED RATING

Professional Solutions Insurance Company will use the following schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of Professional Solutions Insurance Company uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with the following, subject to a maximum modification of a 25% credit to a 25% debit to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this scheduled rating plan are subject to periodic review. The actual determination of the appropriate credit or debit will be determined through the underwriting review of the applicant's application.

1. **Cumulative Years of Patient Experience: 5% Credit**

   Insureds who have demonstrated a stable, longstanding practice and/or significant degree of experience in their area of medicine.

2. **Classification Differences: 5% Credit / 15%-25% Debit**

   Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.

3. **Implementation of Loss Control Procedures: 3% or 5% Credit**

   In order to qualify for this credit, the insured must demonstrate that credible loss control procedures have been properly implemented, and that these procedures will reduce the frequency and severity of claims.

4. **Number / Type of Patient Exposure: 5%-10% Debit**

   Size and/or demographics of the patient population, which influences the frequency, and/or severity of claims.

5. **Board Certification Credit: 3% or 5% Credit**

   In order to receive this credit, the insured must provide documentation of current board certification in one or more specialties of the insured's current practice.

6. **Longevity Credit**

Insureds will be eligible for a credit based on length of time insured with the Company. The following schedule will apply:

1 yr	0%
2 yrs	2%
3 yrs	3%
4 yrs	4%
5+ yrs	5%

XI. ADDITIONAL CREDITS

Size of Risk Credit

Insureds who are part of or employees of a professional association, corporation, or other group who become insureds of Professional Solutions Insurance Company shall be eligible for a credit based on the volume of premium brought to Professional Solutions Insurance Company. Insureds may receive this credit in addition to the other individual credits available. The size of risk credit will be applied to the undiscounted, total aggregate premium of the individual insureds, plus the corporation charge.

Premium	Credit
$100,001 - $200,000	.50%
$200,001 - $300,000	1.0%
$300,001 - $400,000	1.5%
$400,001 - $500,000	2.0%
$500,001 - $600,000	2.5%
$600,001 - $700,000	3.0%
$700,001 - $800,000	3.5%
$800,001 - $900,000	4.0%
$900,001 - $1,000,000	4.5%
over $1,000,000	5.0%

XII. EXPERIENCE RATING

Claims free credits

A claim is defined as a claim closed with incurred indemnity equal to or greater than $10,000.00.

A claim free credit shall apply if the insured has achieved at least 3 years without a claim.

The following schedule will apply:

3 yrs	5%
4 yrs	10%
5+ yrs	15%

Claims debits

Claim debit factors – individual policy:

Three (3) claims opened in the past five (5) years:	5%
Four (4) claims opened in the past five (5) years:	7%
Five (5) claims opened in the past five (5) years:	10%

Claim debit factors – partnership/corporate policy:

# OF CLAIMS IN 5 YEARS	FACTOR
1-2	1.000
3-4	1.500

The debit will not be based on an action that was filed or settled more than five (5) years immediately preceding the issuance or renewal of the policy.

Documentation, including copies of judgments, awards or stipulations of settlement will be requested and reviewed where available.

To obtain and verify experience applicable to each prospective insured, the Company will seek claim information from:

a. The applicant
b. The agent or broker
c. All previous insurers with respect to the experience period in question.

XIII. ENDORSED COVERAGES-Coverage Options

Solo Practitioner Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-18

This endorsement provides a shared limit of liability at no additional charge to an insured's professional entity, as long as the entity does not employ any other licensed health care providers.

Professional Entity with Separate Limits of Liability Endorsement- Form PSIC-CM-03

This endorsement provides one separate limit of liability to the insured's professional entity or entities. Multiple entities will share the one separate limit of liability. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Persons Insured" under the policy.

Mid-Level Ancillary Medical Personnel Sharing Limits with Professional Entity Endorsement- Form PSIC-CM-20

This endorsement provides coverage for licensed, mid-level ancillary medical personnel to share the separate limit of liability of the entity stated on the declaration page. Coverage is provided only for the liability of the employed, licensed, mid-level ancillary medical personnel listed on this endorsement, while acting under the direction and supervision of the insured and within the scope of their license.

Professional Entity with Shared Limits of Liability Endorsement- Form PSIC-CM-21

This endorsement provides a shared limit of liability for a professional entity owned by the individual insured and/or insured members of the entity (e.g. for those that do not qualify for the solo practitioner shared limit coverage and that do not purchase separate limits). This endorsement may be added to more than one individual insured's policy.

Mid-Level Ancillary Medical Personnel Coverage Endorsement- Form PSIC-CM-22

This endorsement provides a separate limit of liability to be shared by employed, licensed, mid-level ancillary medical personnel. This option will be used when the insured does not have professional entity separate limit of liability coverage and the mid-level ancillary medical personnel do not desire individual separate limits.

Additional Insured Endorsement-Form PSIC-CM-05

This endorsement provides coverage for an additional insured. This is an optional endorsement. The charge for this endorsement will be 15% of the manual corporation/partnership premium.

Temporary Leave of Absence Endorsement-Form PSIC-CM-06

This endorsement may be utilized if an insured must take a leave of absence from their practice. Insureds who become disabled or take a leave of absence shall become eligible for suspension of coverage at a rate reduction of 90% of the otherwise applicable rate for the period of disability or leave of absence. The period must extend for a minimum length of sixty (60) days or more up to a maximum of one hundred eighty (180) days or until renewal. The lower premium will apply retroactively to the first day of the disability or leave.

This option provides continued protection to the provider who experiences a temporary interruption in his or her practice (subject to the stated eligibility requirements), for claims arising from acts, errors or omissions which occurred prior to the inception of the disability or leave. There is no coverage for acts, errors or omissions during the leave or disability period. Because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail).

If disabled, proof of disability must be submitted to the Company for approval, and the calculation of the credit will be on a pro rata basis for the period of the qualifying disability.

While on disability or leave, credit toward extended reporting vesting will continue to accrue, and the insured must continue to pay premiums when due.

Eligible Situations For Temporary Leave of Absence: Short-Term Disability, Maternity Leave, Military Leave or any other reason pre-approved by Professional Solutions Insurance Company – Does not apply to vacations

Extended Reporting Endorsement-Form PSIC-CM-07

This endorsement provides coverage for an unlimited time period with aggregate liability limits equal to or less than those of the expired coverage to report claims, which arose from incidents that occurred when the coverage was in force. The liability limits provided by this option are the only limits that shall be applicable to the unlimited time period designated above. This endorsement can be applied to group or entity policies.

Medical Laboratory Endorsement-Form PSIC-CM-10

This endorsement provides a shared limit of liability with the insured physician or the insured physician's entity for a medical laboratory facility. The premium for the endorsement is based on the following:

a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.

b. as an additional insured at 25% of the mature Class 1 rate, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

Specialty Classification Amendment Endorsement-Form PSIC-CM-11

This endorsement will be attached to the policy if the insured amends their medical specialty during the policy period. This endorsement will extend coverage for claims that are reported under the insured's previous medical specialty. The premium will be adjusted based on the change of the specialty classification.

Professional Entity with Affiliated Physician Separate Limits of Liability Endorsement- Form PSIC-CM-23

This endorsement provides one separate limit of liability applicable only to the professional entity or entities specifically stated in the endorsement. In addition, coverage is provided for any claim against the insured entity or entities for the vicarious liability of the affiliated healthcare provider(s) stated in the endorsement, who at the time of the alleged incident, were not otherwise named as an insured under the policy. There is a 35% additional premium charge for this endorsement.

Active Military Duty Endorsement- Form PSIC-CM-24

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military duty. For claims made policies, because the policy does not cancel, there is no need for the purchase of Extended Reporting Coverage (Tail) while on active military duty.

Each Claim and Aggregate Deductible Endorsement- Form PSIC-CM-25

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The credit applies to the undiscounted premium.

Each Claim and Aggregate Deductible – Multiple Insureds Endorsement- Form PSIC-CM-26

For a premium credit outlined in Section IX – Special Provisions of this manual, the insured may elect to pay a deductible towards the amount paid to claimants as damages. The each claim deductible continues to apply separately to each insured involved in a claim until the annual aggregate deductible stated in this endorsement is reached. The credit for this endorsement applies to the undiscounted premium.

Limited Vicarious Liability Entity Extended Reporting Endorsement- Form PSIC-CM-27

This endorsement provides for unlimited extended reporting of claims made against the insured entity for the acts or omissions of the previously insured physician listed on the endorsement. There is no additional charge for this endorsement.

XIV. Classification Plan – Refer to rate sheet for manual rate information.

ISO Specialty Codes M.D.	ISO Specialty Codes D.O.	Class	Description	FACTOR
80230		1	Aerospace Medicine	0.650
80254		1	Allergy/Immunology	0.650
80256		1	Dermatology - No Surgery	0.650
80240		1	Forensic Medicine	0.650
80248		1	Nutrition	0.650
80233		1	Occupational Medicine	0.650

80263	1	Ophthalmology - No Surgery	0.650
80235	1	Physiatry/Physical Medicine	0.650
80231	1	Preventive Medicine - No Surgery	0.650
80251	1	Psychosomatic Medicine	0.650
80236	1	Public Health	0.650
80237	2	Diabetes - No Surgery	0.850
80238	2	Endocrinology - No Surgery	0.850
80243	2	Geriatrics - No Surgery	0.850
80244	2	Gynecology - No Surgery	0.850
80260	2	Nephrology - No Surgery	0.850
80262	2	Nuclear Medicine	0.850
80268	2	Physicians - No Surgery N.O.C.	0.850
80995	2	Podiatry - Soft Tissue	0.850
80249	2	Psychiatry including child - No ECT	0.850
81249	2	Psychiatry, no child, including ECT	0.850
80252	2	Rheumatology - No Surgery	0.850
80151	3	Anesthesiology	1.000
80255	3	Cardiovascular Disease - No Surgery	1.000
80420	3	Family Phys. or Gen. Prac. - No Surgery	1.000
80241	3	Gastroenterology - No Surgery	1.000
80245	3	Hematology - No Surgery	1.000
80246	3	Infectious Diseases - No Surgery	1.000
80257	3	Internal Medicine - No Surgery	1.000
80258	3	Laryngology - No Surgery	1.000
80259	3	Neoplastic Diseases - No Surgery	1.000
80259	3	Oncology - No Surgery	1.000
80264	3	Otology - No Surgery	1.000
80265	3	Otorhinolaryngology - No Surgery	1.000
80196	3	Pain Management	1.000
80266	3	Pathology - No Surgery	1.000
80267	3	Pediatrics - No Surgery	1.000
80269	3	Pulmonary Diseases - No Surgery	1.000
80247	3	Rhinology - No Surgery	1.000
80287	4	Nephrology - Minor Surgery	1.250
80286	4	Oncology - Minor Surgery	1.250
80289	4	Ophthalmology - Minor Surgery	1.250
80114	4	Ophthalmology Surgery	1.250
80298	4	Pulmonary Diseases - Minor Surgery	1.250
80120	4	Urology - Minor Surgery	1.250
80281	5	Cardiovascular Disease - Minor Surgery	1.500
80282	5	Dermatology - Minor Surgery	1.500
80271	5	Diabetes - Minor Surgery	1.500
80272	5	Endocrinology - Minor Surgery	1.500
80421	5	Family Phys. or Gen. Prac.- Minor Surgery	1.500
80274	5	Gastroenterology - Minor Surgery	1.500
80276	5	Geriatrics - Minor Surgery	1.500
80277	5	Gynecology - Minor Surgery	1.500
80278	5	Hematology - Minor Surgery	1.500
80279	5	Infectious Diseases - Minor Surgery	1.500
80284	5	Internal Medicine - Minor Surgery	1.500
80285	5	Laryngology - Minor Surgery	1.500
80261	5	Neurology - No Surgery	1.500
80290	5	Otology - Minor Surgery	1.500

80291	5	Otorhinolaryngology - Minor Surgery	1.500
80293	5	Pediatrics - Minor Surgery	1.500
80294	5	Physicians - Minor Surgery N.O.C.	1.500
89298	5	Pulmonary - Critical Care	1.500
80253	5	Radiology Diagnostic - No Surgery	1.500
80270	5	Rhinology - Minor Surgery	1.500
80145	5	Urological Surgery	1.500
80283	6	Intensive Care Medicine	1.650
80286	6	Neoplastic Diseases - Minor Surgery	1.650
80288	6	Neurology - Minor Surgery	1.650
80292	6	Pathology - Minor Surgery	1.650
80280	6	Radiology Diagnostic - Minor Surgery	1.650
80101	7	Broncho-Esophagology	2.150
80103	7	Endocrinology Surgery	2.150
80104	7	Gastroenterology Surgery	2.150
80105	7	Geriatrics Surgery	2.150
80804	7	Neonatal/Perinatal Medicine	2.150
80108	7	Nephrology Surgery	2.150
80159	7	Otorhinolaryngology - No Plastic Surgery	2.150
80136	7	Radiology Including Radiation Therapy	2.150
80115	8	Colon and Rectal Surgery	2.500
80106	8	Laryngology Surgery	2.500
80107	8	Neoplastic Surgery	2.500
80164	8	Oncology Surgery	2.500
80158	8	Otology	2.500
80160	8	Rhinology Surgery	2.500
80102	9	Emergency Medicine - No Major Surgery	3.000
80521	9	Gen. Prac. or Fam. Prac. (0-24 deliveries – No High Risk)	3.000
80117	9	General Prac. or Family Prac. Surgery	3.000
80143	9	General Surgery	3.000
80169	10	Hand Surgery	3.350
89154	10	Orthopedic Surgery - No Spine	3.350
80155	10	Otorhinolaryngology w/Plastic Surgery	3.350
80166	11	Abdominal Surgery	3.750
80157	11	Emergency Medicine Surgery	3.750
80167	11	Gynecology Surgery	3.750
80170	11	Head and Neck Surgery	3.750
80141	12	Cardiac Surgery	4.500
80150	12	Cardiovascular Disease Surgery	4.500
80472	12	Dermatology Surgery	4.500
80154	12	Orthopedic Surgery - Including Spine	4.500
80156	12	Plastic N.O.C. Surgery	4.500
80144	12	Thoracic Surgery	4.500
80171	12	Traumatic Surgery	4.500
80146	12	Vascular Surgery	4.500
80153	13	Obstetrics Gynecology Surgery	5.500
80168	13	Obstetrics Surgery	5.500
80152	14	Neurology Surgery	6.750

Mid-Level Ancillary Medical Personnel Rating:

		(Factors based on 80420 unless otherwise noted)	
			Employed Personnel
ISO Specialty Codes	Mid-Level Ancillary Medical Personnel	Shared Limit Factor	Separate Limit Factor
80807	Physician Assistant	0.090	0.300
80808	Surgical Assistant	0.090	0.300
80709	Nurse Practitioner	0.090	0.300
80806	Psychologist	0.040	0.080
80960	Nurse Anesthetist	0.150	0.560
80970	Heart-Lung Perfusion Technician	0.110	0.400
80972	Operating Room Technician	0.050	0.200
80971	Scrub Nurse	0.050	0.200
80994	Optometrist **(Factors based on 80114)**	0.025	0.050

XV. Professional Entity Coverage

A. Solo Practitioner Corporation:

Coverage for an insured's professional entity may be written with a shared limit of liability at no additional charge as long as the entity does not employ any other licensed health care providers.

B. Shared Limits of Liability:

Coverage for professional entities other than solo practitioners may be written with a shared limit of liability. The charge for shared limits of liability will be 3% of the insured's manual rate.

C. Separate Limits of Liability:

Coverage for professional entities may be written with a separate limit of liability. Multiple entities will share the separate limit of liability.

1. The premium charge for separate limits in which all members, stockholders or employees are insured with Professional Solutions Insurance Company will be 10% of the manual rate of all insured providers, with the maximum premium limited to a cap of the top highest rated 5 healthcare providers listed on the Declarations Schedule of Insureds when calculating the premium. There will only be a charge for the first entity.
2. There will be an additional 35% premium charge for entities in which not all members, stockholders or employees are insured with Professional Solutions Insurance Company.

D. Mid-Level Ancillary Medical Personnel Coverage:

1. Coverage for licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share the separate limit of liability with the entity stated on the declaration page. The premium charge for sharing the entity's separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.
2. Coverage for at least two licensed, mid-level ancillary medical personnel may be written so the mid-level ancillary medical personnel share collectively in the separate limit of liability. The premium charge for sharing the separate limit will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate for each mid-level ancillary medical personnel that will be named on the endorsement.

XVI. Mid-Level Ancillary Medical Personnel Coverage – Individual Separate Limits

Licensed, mid-level ancillary medical personnel may be individually covered by the Company by payment of an additional premium. Coverage is available only on a separate individual limits basis for employees of physicians insured by PSIC. The premium charge for this coverage will be a factor based on and applied to the Family Physician - No Surgery (80420) mature undiscounted manual rate. If higher limits of liability are requested, the appropriate increase limit factor will be applied.

XVII. Rates

Physicians and Surgeons Mature Claims Made Rate (for Class 3 provider @ 100/300 limits)

Illinois Territory 01 - **(Cook, Madison and St. Clair counties)**	**$10,282.00**
Illinois Territory 02 - **(DuPage, Kane, Lake, McHenry and Will counties)**	**$7,613.00**
Illinois Territory 03 - **(Champaign, Macon, Jackson, Vermillion, Sangamon, DeKalb, Kankakee, LaSalle, Ogle, Randolph, Winnebego and Jackson counties)**	**$6,717.00**
Illinois Territory 04 - **(Remainder of State)**	**$4,925.00**

Increase limit factors: The applicable limit factor is determined by the chosen limit option on the application.

Limits of Liability	Increase Limit Factors
$100,000/$300,000	1.000
$200,000/$600,000	1.375
$250,000/$750,000	1.500
$500,000/$1,000,000	1.875
$1,000,000/$3,000,000	2.500
$2,000,000/$4,000,000	3.125

Claims-Made Step Factors:

Year	Claims-Made Step Factor
1	0.35
2	0.66
3	0.90
4	0.98
Mature	1.00

6th Month Rule: If the period between the retroactive date and the policy effective date is less than 6 months, rate at year 1. If the period is more than 6 months, rate at year 2, with each of the next consecutive claims made step increases applied at each renewal.